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NEWS SUMMARY

GENERAL

Ulster blast kills 2 soldiers

Within hours of Mr. Harold Wilson's visit to troops in Londonderry yesterday, two soldiers were killed in an explosion last night at an observation post near the city centre.

At about the same time another soldier died and a companion was seriously injured when an Army helicopter crashed in Co. Down. Police said the machine came down *after hitting overhead wires* in heavy fog.

Most of the Prime Minister's day visiting various parts of the Province was spent in helicopters and it was thought the crashed machine had been involved in the programme.

Strict security surrounded Mr. Wilson's whirlwind Christmas greetings-to-the-troops visit which included a **Londonderry** call on an observation post overlooking the Bogside.

In **Belfast** he lunched at Stormont Castle with Mr. Merlyn Rees, Ulster Secretary—it was his 55th birthday—and General Sir David House, who briefed the Prime Minister on the security situation. **Page 8**

Writ issued

Mr. Wilson yesterday issued a High Court libel writ against Associated Newspapers and Daily Mail gossip columnist Nigel Dempster. *The writ claims* damages for an alleged libel in Wednesday's *Daily Mail under* the heading: "Why they say 'tired' Harold is ready to quit."

At Marylebone Court, West London, four men appeared accused of detaining Mr. and Mrs. John Matthews in the Balcombe Street siege flat and with possessing firearms and ammunition. A crowd jeered as the men arrived.

Queen to make Silver Jubilee tours

England, Wales and Northern Ireland are to have a special Bank Holiday on Tuesday, June 7, 1977, to celebrate the Queen's Silver Jubilee, Mr. Wilson announced in a Commons written reply yesterday. Discussions are to take place about Scottish arrangements. The Spring Bank Holiday will be postponed from May 30 to June 6—giving a two-day breather.

During the summer of jubilee year the Queen is to tour the U.K. She also plans to visit Northern Ireland, Australia, New Zealand, Fiji and Papua-New Guinea. The Royal Mint will issue a commemorative crown piece with a face value of 25p.

Ballot called on private practice

Hospital consultants, some of whom are taking industrial action over the private practice controversy, are to ballot on whether to accept a compromise plan for the phasing out of private practice from National Health Service hospitals.
Back Page

Attacked trawler saves its gear

Although the Icelandic patrol vessel Odinn's captain was unsure about the success of yesterday's attack on the trawler Crystal Palace, reports *from the frigate* Leighton said the trawler lost one *or two wires but managed* to save its gear. Iceland claimed that the number of British trawlers inside the disputed 200-mile limit was increasing which was unusual for the time of the year. **SNP support for Iceland. Page 14**

Briefly . . .

Britain's cross-Channel ferry operators are to increase peak season prices by up to 20 per cent.

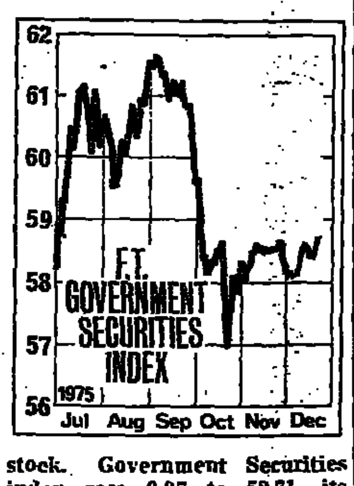
Radio Mozambique claimed that an attempt by 400 police and troops to seize Lourenco Marques had been crushed. Pge 5

BUSINESS

Gilts and equities edge forward

● **EQUITIES** were showing a firmer trend at the close, helped by better-than-expected *trading statements from leading companies.* The FT 30-share index rose 0.4 to 368.7. The All-Share index hardened 0.5 per cent. to 155.08.

● **GILTS** edged forward, with demand for the short "tap"



stock. Government Securities *index rose* 0.07 *to* 58.71, its highest since October 3.

● **GOLD** lost 50c at $138¾.

● **STERLING** was unchanged at $2.0220, with its weighted depreciation 30.1 (30) per cent. Dollar's was 1.81 (1.77) per cent.

● **WALL STREET** continued to improve, up 7.16 at 853.43 near the close.

Charge will hit Mersey port

● **PORT OF LIVERPOOL'S** 1976 trading prospects have been dealt a surprise blow by the 29 shipping lines in the *Far East Freight* Conference, which have imposed *a $5 per ton levy on shipments* into the port from March. **Back Page**

● **MR. DAN McGARVEY**, president of the Boilermakers' Amalgamation, has turned down the chairmanship of British Shipbuilders, the organisation being set up under *nationalisation* plans, because the Industry Secretary will not appoint Mr. Tom McIver, managing director of Swan Hunter, *as chief executive.* **Page 8**

● **MR. JOSEPH GODBER**, who will retire as MP at the next General Election, is to succeed Lord Redmayne as chairman of the Retail Consortium at the end of March. **Back Page, Men and Matters Page 16**

● ***SIR DENYS LOWSON***, who died in September, knowingly mismanaged the affairs of companies with which he was concerned, according to two Trade Department inspectors. **Back Page**

● **GKN** is expected to acquire a *£100m. majority* stake in Fichtel and Sachs, a West German supplier of motor components. **Page 6**

● **THE** *U.S. signed* a *$100m.* commodity loan agreement with Egypt, the *first tranche* of a $750m. aid package.

COMPANIES

● **HAW PAR** is studying *a document* from Mr. Jimmy Goldsmith, *chairman fo Slater Walker,* offering a possible solution to *the dispute over the £14.5m.* SWS loan to the Singapore concern.

● **DISTILLERS** first-half profit fell £1.6m. to £42.51m. while turnover rose by £48.85m. to £341.21m. **Page 19 and Lex**

● **ROTHMANS** pre-tax profit in *the half-year* to September 30 rose by £5.88m. to £20.2m. **Page 20 and Lex**

● **CAVENHAM** pre-tax profits in the 32 weeks *to November* 8 advanced to £19.9m. (£16.8m.). ***Page 20 and Lex***

Government faces dilemma over EEC and Chrysler aid

BY REGINALD DALE, BRUSSELS, December 18.

The battle over the future of Chrysler's U.K. activities has spread to Brussels. In talks here Britain has told the EEC Commission that it must approve the Government's rescue plans by next Monday or risk jeopardising the entire salvage operation.

If the Commission does not *give a clear "Yes" at its Monday* meeting—the last of the year—*the Government would be faced* with taking the risk of going ahead without permission from Brussels. The U.K. could then find itself in breach of the Rome treaty if the Commission ruled against the rescue in the New Year.

The British plea has put the Commission in an embarrassing position. Comunity officials have doubts about the *legality* of the rescue under EEC rules on State *aids, but they are fully aware of* the major political implications *if the Commission says "No"* or drags its feet.

In meetings with EEC officials this week, British representatives *are saying that an immediate de*cision is vital so that the *Government can sign the agreement* with Chrysler which was initiated earlier this week. Until this has ben done, Chrysler will do nothing to restart operations, and the company will go into liquidation.

The Government also fears that if the Commission postpones a decision Chrysler's U.S. management may decide to call the deal off. With its financial year about to end, it is thought that the company would prefer to close its U.K. subsidiary now rather than wait until the Commission takes a decision in the New Year.

The company might take the *same line if the Commission* decided to call for alterations in *the rescue scheme, as it is* entitled to do under the Treaty.

The only alternative in either of these cases would be for the Government to assure Chrysler that it planned to go ahead with its side of the deal regardless of what the Commission decided. If the Commission were then to object, Britain would face the threat of a summons to the Community's *Luxembourg* Court of Justice to justify the rescue *operation.*

Treaty rule

Despite the British pressure, high-level Commission sources to-day said it was far from clear that the Commission would be in a position to give a final ruling on Monday. The Treaty says that Governments must inform Brussels of State aid plans "in sufficient time for the Commission to submit its comments," but the first details of the rescue were handed over here only at the beginning of this week.

In contacts with British officials over the last few days the Commission has warned that it has never yet authorised the sort of State aids involved in the Chrysler rescue. Unlike the British Leyland rescue, which included investment subsidies, the Chrysler operation provides for *subsidies to write off operating* losses.

EEC officials are concerned at the precedent that would be *set if the Commission* gave its unqualified approval.

Against this, the U.K. stresses that the aim still remains to *bring Chrysler back to profit*ability. It is also pointed out *that Chrysler's share of* the U.K. market is too small to have much impact on intra-Community trade, one of the Commission's main preoccupations.

In the British view, the main purpose of the operation is to save jobs rather than to distort competition in the Community.

● **John Bourne writes:** According to London sources, if the EEC Commission decides at its meeting on December 22 not to accept the Government's deal with Chrysler this would make *no difference to the deal.*

In these circumstances, the *Government* would expect the Commission to make adverse comments which, however, could not stop the deal going ahead.

According to the same sources, Sir Donald Maitland presented the details of the Chrysler deal and the Government's reasons for negotiating it to M. Borschette, the EEC Commissioner for Competition.

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Politics to-day, Page 17

Wealth Tax this session ruled out

BY JUSTIN LONG

THE GOVERNMENT has definitely ruled out any possibility of introducing the Wealth Tax in this session of Parliament.

Mr. Denis Healey, the Chancellor, *announced this decision,* which is bound to rouse the criticism of Labour's Leftwing, in a written Parliamentary answer last night.

In the first formal statement of the Government's reaction to the failure earlier this month of the Select Committee on a *Wealth Tax to produce a* majority report, Mr. Healey said: "I welcome the work which the committee has done under the chairmanship of Mr. Douglas Jay, and I shall study carefully the evidence which they took and the conclusions drawn from it.

"The committee took a good deal longer over their work than *the Government had hoped. In* consequence of the delay, and of the many major issues involved, I do not feel able to introduce a Wealth Tax this session.

Commitment

"I have, however, instructed the Inland Revenue to continue with its preparatory work, and I shall consider publishing in 1976 draft clauses for public discussion."

Over the past few months Labour MPs have constantly reminded the Government that the introduction of a Wealth *Tax is a Manifesto commitment* of the party.

The *Tribune Group of Left*wingers in particular will regard the delay in *formulat*ing and implementing the suggested tax as *backsliding,* even though there was no promise in the Manifesto that the intended tax on wealth would be brought forward in the opening sessions of the new Government.

Difficulties will be increased for Mr. Wilson, who is having enough trouble with his backbenchers over their disappointment with the Chancellor's recent economic decisions and the manner of the *Chrysler* rescue operation.

*The inability of the Select Com*mittee to provide a majority report, due to the absence *of* two Labour MPs during the later stages of the committee's work, has for the time being deprived the Government of firm ground on which to proceed.

Four minority reports and an amended draft by Mr. Jay, MP for Battersea North, as chairman, were published. Labour back-benchers are likely to press the Govern*ment to adopt the view repre*sented on the committee by *the draft put forward by* Dr. Jeremy Bray.

New finance aid for exporters

BY MARGARET HUGHES

NEW measures to make British manufacturers more competitive *when tendering for contracts* abroad were announced yesterday by Mr. Peter Shore, Secretary for Trade.

The four-point plan comprises amendments to the much-criticised cost-escalation insurance scheme, provision of pre-shipment finance, insurance *cover for consortia against* heavy losses due to the insol*vency of a fellow consortium* member, and a doubling of the amounts of business which exporters can do under their comprehensive guarantees without any reference to the Export Credits Guarantee Department.

The most welcome of these measures to British manufacturers will be the increased flexibility which will now be *allowed in operating the cost* escalation scheme. This was *first introduced in February* with the aim of providing a *hedge against inflation for manu*facturers tendering for large contracts in countries where buyers have been insisting on fixed-price contracts.

Under the original scheme the exporter or buyer had to bear the first 10 per cent. of any cost escalation. The Government then undertook to cover 75 per cent. of the cost increases within a 15 per cent. and above this minimum threshold for cash contracts; and 70 per cent. of the increases within a band of 10 per *cent. above the threshold for* credit business. In practice, however, *manufacturers have found* that they had to bear a much *higher rate of cost inflation than* at first thought, before gaining protection.

The improvements announced yesterday do not provide an open-ended scheme — which industry would prefer—but it goes a long way towards providing the flexibility which manufacturers have been seeking.

The Government is not prepared to divulge the details of the changes. This, it is felt, would encourage overseas buyers to exert even more pressure on exporters during price negotiations.

To achieve more flexibility, the ECGD may now reduce some*what the first tranche of costs* which the buyer or exporter has to bear—the *so-called* threshold. Where exporters choose higher thresholds, ECGD may now widen the present band of cover.

The Government expects British manufacturers to be "largely satisfied" with the changes to the scheme and first indications are that this is the case. Commander John Hamer, director general of the Process *Plant Association, welcomed the* scheme. The four point package, he believed, would now allow British manufacturers to compete for the "considerable amount of overseas business *which is available with double* aggression."

The cost escalation scheme, he said, now gave much greater flexibility. The new arrangement would also allow industry and Government to work together more closely in stepping up Britain's export effort. It put *Britain on a more equal footing* with her competitors who already *had access to cover of this kind.*

The Government claims that the amended scheme should not cost any more to operate than the original, unless the rate of inflation soars further.

Since the scheme was first *introduced,* only £160m. worth of business has been negotiated *and, of this, only four projects* have been firm contracts. The amount of business represented by applications is far greater—well over £2bn. But, having found the snags in the original scheme, manufacturers have been deterred from using it.

In addition to the improved cost escalation cover, Mr. Shore disclosed that the pre-shipment finance scheme, first proposed in August, is now freely available. *This essentially overdraft faci*lity applies to specific overseas *capital goods contracts or pro*jects insured by ECGD valued at *£1m. or more* and involving a manufacturing period of at least one year. This will be available at normal bank borrowing rates plus a premium.

A further improvement in ECGD facilities is to be provided by a new scheme to insure individual members of a consortium contracting overseas against losses they may sustain due to the insolvency of a fellow consortium member. Although the commercial insurance market does provide some cover for this, it *is unable to meet* the demand on the scale involved.

In reply to the call for more ECGD assistance for exporters of consumer and light engineering goods (usually made on short term credit of less than six months), the ECGD is now doubling the maximum amounts up to which the insured can fix credit limits on buyers, under their Comprehensive Guarantees, without reference to the ECGD.

Ray Dafter, Energy Correspondent, writes: It has been estimated that the U.K. process plant manufacturers will have *lost up to £1bn.-worth of export* orders this year because they *have been unable to control the* full effects of inflation on contract prices.

Either companies have refused to quote for orders or they have lost out to overseas competitors which have benefited from a more adequate national "insurance" scheme against inflation.

Continued on Back Page

Peace hopes rise in BSC blastfurnace dispute

BY LORELIES OLSLAGER

A BREAKTHROUGH appears in sight in the British Steel Corporation's negotiations with the National Union of Blastfurnacemen on the commissioning of a new furnace at Llanwern, South Wales, which has been idle for months because of deadlock over a pay dispute.

Both BSC and the union reported progress yesterday after five hours of talks on Wednesday night, and Mr. Hector Smith, the union's general secretary, said that as far as he was concerned, *commissioning could* start as soon as the Corporation was ready.

"We are very close to a settlement," he said. But he would not reveal how the breakthrough was achieved.

BSC is believed to have improved its pay offer, as recommended by a court of inquiry set up after the pay dispute threatened to become a countrywide strike by BSC blastfurnacemen in September.

Steel threat

Britain's biggest steel union, the Iron and Steel Trades Confederation, will to-day ask Prime Minister Harold Wilson to ensure that the British Steel Corporation withdraws its £170m. labour-cutting scheme announced last week. Massive industrial action is threatened *if the Government does not* succeed.

This offer could lead to complications with the pay policy and other unions, because it involves improvement in a productivity element. Several thousand other steelworkers have had their productivity deals froezn because they were concluded after the pay policy was introduced.

But BSC feels it can make such an offer for men on the new furnace because it involves a totally new pob.

Mr. Smith said the corpora*tion was prepared to allow con*tinuation of some form of pro*duction-based* bonus, on which the union is very keen, but the details for this still had to be agreed.

Meanwhile, unions involved in the office workers' strike at Ebbw Vale steelworks are trying to avert a shut-down of the plant, which the corporation has said will become inevitable to-day because there are no more pro*duction* schedules.

MEPC in £3.6m. pre-tax loss

BY MICHAEL CASSELL

A PRE-TAX loss of £3.64m. was reported yesterday by MEPC, one of the country's largest property companies, after profits of £14.13m. in the previous year.

The results were not, however, quite as bad as had been feared and the shares were up 9p by *the close at 77p. No dividend* is being recommended after *last year's 4p per share pay*ment.

The continuing fall in property values was yesterday singled out as the major culprit, although the company has also been badly hit by heavy losses in house building, a switch in policy over capitalisation of interest and troubles *surrounding* some of its overseas operations, *particularly in Australia and in* Brussels.

Sir Henry Johnson, MEPC chairman, said that during the year two-thirds of the company's property portfolio had been revalued and a sample review of the balance of investment properties had also been carried out.

The result of both operations had been a net write down in asset values of just over £38m. and, coupled with the group's general losses, had led to a reduction in reserves from £257m. to £212m.

The chairman also reported that the company's development programme, in which projects had a book value of £72m., had also been reviewed. He said the Board felt that these projects had a present estimated value of some *10 per cent. to 20* per cent. below their book value.

Sir Henry said that sites held for development, including the *Long Acre site in Covent* Garden, stood in the books at *£77m.*, but the directors did not believe that it was practicable, in present conditions, to place a "reliable" valuation on them.

Of the future, Sir Henry said that while the effect of the Community Land Act had yet to be experienced and the final provisions of the Development Land Tax were not yet known, the company believed they should result in an increase in existing property values.

MEPC is now concentrating on its existing portfolio, with particular emphasis on refurbishment and renovation, which it believes should enhance its profitability over and above the revenue increase from the progressive pattern of rent reversions.

A major problem area for MEPC has been its house build*ing operations in the U.K.* Both J. Sanders, acquired in 1973, and MEPC Housing incurred significant losses during the year.

Results were badly affected by market conditions which hit the more expensive end of the housing market, where much of the company's output has been concentrated.

Sanders made a trading loss *of £2.2m.* and a *further charge* of £5.4m. has been made to cover losses incurred in its closure. MEPC Housing recorded a further loss of £2.6m. and the company's total net revenue from residential development dropped from a £723,000 profit to a £5.06m. loss.

£ in New York

—	Dec. 17	Previous
Spot	$2.0215-0220	$2.0190-0200
1 month	0.93-0.88 dis	0.90-0.85 dis
3 months	2.40-2.35 dis	2.38-2.33 dis
12 months	7.35-7.25 dis	7.83-7.73 dis

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 11½pc '81	£96⅞	+ ⅞
Barclays Bank	302	+ 7
Barlow Rand	254	+ 6
Cape Inds.	140	+ 6
Cavenham	135	+ 6
Coy Intnl.	118	+ 4
Gibro	79	+ 5
English Property	52	+ 4
Great Portland Ests.	222	+ 6
GKN	268	+ 7
Hanly's	77	+ 6½
Lampa Secs.	95	+ 3
Land Secs.	106	+ 6
Industries	59	+ 3
MEPC	77	+ 9
Mall Secs	271	+ 3½
Midland Bank	293	+ 8
Philips' Lamp	847	+ 17
Pratt (F.)	60	+ 4
Pride and Clarke	111	+ 6
Reed Intnl.	248	+ 6
Sunley (B.)	142	+ 12
Tunnel Hldgs. "B"	196	+ 8
Unilever	422	+ 6
United Scientific	83	+ 11
Wadkin	69	+ 4
BP	577	+ 12
Oil Expln.	65	+ 4
Woodside-Burmah	137	+ 4
East Drie.	920	+ 15
Oakbridge	75	+ 5

FALLS

Barratt Devs.	108	− 4
Hawker Siddeley	342	− 4
Janes (H. C.)	164	− 6
Cons. Murchison	790	− 30
CRA	245	− 15
Ocean Resources	17	− 5
Pancontinental	910	− 30
Peko-Wallsend	445	− 10
Thiess Holdings	230	− 10

For latest Share Index 'phone 01-246 8026

LOMBARD

Best 'preventive medicine' of all

BY C. GORDON TETHER

One of the saddest pieces of news to have surfaced since the present Christmas season began to get into its stride is that the switchboard of the Samaritans organisation is becoming jammed because so many people want to speak to somebody who could—hopefully—talk them out of committing suicide. It is, surely, also one of the most significant.

For it provides yet another powerful indication that the deterioration in the quality of life precipitated by the breakdown of monetary law and order is one of the principal—though, so far, largely unrecognised—causes of the increasing pressure on the National Health Service which has been causing so much concern. And, this being so, is it not time that the Government devoted more attention to practising "preventive medicine" by giving the potential mental health impact of the policies it is formulating the attention it deserves?

In a report it recently published on the reasons for the "apparent deficiencies in medical care," the Office of Health Economics placed the blame largely on the "self-indulgent behaviour of the general public." People, it argued, had been educated to expect unrealistic levels of well-being "that ignore the built-in frailty of the human body in face of the various challenges which are an inevitable feature of human life."

U.S. view

But is it really as simple as that? It is not entirely conceivable that people's sense of well-being is actually being undermined by a tendency for "the various challenges which are an inevitable feature of human life" to assume a more lethal character.

This, certainly, is the view of one leading American medical man, Mr. Harvey Brenner — a mental health expert on the staff of the School of Hygiene and Public Health at the John Hopkins University. He has laid the blame for the rise in mental illness in the U.S. squarely at the Governmental door and has warned that, if the politicians continue to pursue policies which are destined to generate serious unemployment, financial distress and other problems for the populace at large, there will be a major upsurge in nervous breakdowns, alcoholism and suicide.

It has, of course, been customary for a long time past to talk of the pace of modern living having increased humanity's vulnerability to ill-health. But the stresses and strains that Mr. Brenner was talking of are of a different order. They are the product of the economic turbulence that has developed during the past year or two, with near runaway inflation and recession as its two principal manifestations. And there are very good reasons for thinking that they are calculated to inflict far more damage on public health.

Thus, those who did not feel they could cope with the mental and physical strains imposed by the faster pace of modern living could, up to a point, contract out of it, while those who were prepared to stay in the race did receive compensation for them in the shape of enhancement of their standards of living.

The main aim of the current fashion in economic policies is to reduce living standards, or at least stop them rising. So there is no such compensation for the disorienting effect economic turbulence is having on the lives of ordinary people.

And it is taking its toll in any number of directions. To begin with, since the prices of almost every item featuring in the family budget are changing from week to week, the business of shopping has become a major worry.

Then, for the first time in a quarter of a century, millions of people are having to worry about the security of their employment. And most of those who remain in work are deeply concerned about the possibility that they will not receive increases in their renumeration of sufficient size to cancel out the severe erosion of the real value of their existing earnings.

A new source

Another comparatively new source of acute anxiety for many people is the wholesale destruction of the purchasing power of saving that a 25 per cent. inflation rate brings in its train.

Last but not least, the worries of all those living on pensions without cost-of-living links and those approaching pensionable age have inevitably been greatly accentuated by contemplation of the damage inflation is doing to this type of income.

It is, of course, impossible to quantify the effect all this is having on the health of the people. But it can hardly be doubted that it is as great as the American expert has suggested. And it is high time, therefore, that the corridors of power attached much more importance to the best "preventive medicine" of all—seeing that the economy is rfun in a way that does not inflict such serious anxieties on people.

RACING — BY DOMINIC WIGAN

Little risk with Hard Cash

THERE ARE few more improved horses in training than the six-year-old *Hard Cash* and I shall be disappointed if Roy Cambidge's Pardao horse cannot extend his winning sequence to four in to-day's Celtic Hurdle at Chepstow.

Hard Cash, who had his first win when he beat Evening Witness by four lengths in an amateur riders' chase at Bangor in September, has improved considerably since that minor success. Last time out he put up a particularly smart display when accounting for some useful opponents over 3½ miles at Uttoxeter eight days ago.

He was following up Towcester and Haydock successes there and is equally at home over hurdles and fences. To-day's three-mile trip over the minor obstacles should suit him ideally. I hope to see him prove that he is maintaining his progress by out-pacing the recent Plumpton winner *Valuable Coin* from whom he is set to receive 5 lb.

Capt. Ryan Price usually does well with the runners he sends on the long cross-country trip from Sussex to this Monmouthshire track and I do not intend to oppose his highly-rated four-year-old *Jer*, in the Olympic Hurdle.

Jer, reported to be in fine heart for his first run this season, is preferred to *Artifice*, an 8-lengths winner from Outpoint at Sandown towards the end of last month.

At to-day's other meeting, Teesside, the Irish raider, *Buck Me Off*, can take the opener. Both *Fighting King* and *Primerello* appeal as sound propositions in Division I of the Pallion Novices' Hurdle.

In-form Fighting King goes for the Sunderland Hurdle. Denys Smith's consistent gelding has been first past the post in his last two races, but on his most recent appearance on December 6 he was relegated to second place by the Catterick stewards after beating Any Second and 11 others in the competitive Bedale Hurdle, for coming off a true line on the run-in and interfering with the runner-up.

Provided that he does not become involved in any similar trouble here, Fighting King, a game winner from Prescott at Haydock on November 27, should be capable of gaining compensation.

Primerello seems sure to be a popular choice for the Hambledon Novices' Chase, now that both Greek Moss and Cumbria have been withdrawn.

Primerello, who followed up a comfortably gained Market Rasen success on November 29 by finishing a good third behind the smart Roaring Wind and Birdland at Nottingham ten days later, may have most to fear from *Coparu*, a useful performer over the minor obstacles, who is making his chasing debut here.

CHEPSTOW

12.45—Terryash
1.15—Sixer
1.45—Hard Cash***
2.15—Perambulate
2.45—Jer*
3.15—Buckingham

TEESSIDE

12.30—Buck Me Off
1.00—Glenland
1.30—Fighting King
2.00—Primerello**
2.30—Francophile
3.00—Calculator

SALEROOM — BY ANTONY THORNCROFT

Browning letters fetch £5,800

CHRISTIE'S SALES of books and manuscripts have never quite matched Sotheby's in content but the saleroom came up trumps yesterday when it sold a collection of letters and manuscripts by the poet Robert Browning for £5,800. It was bought by Maggs for well above the £2,500-£3,000 pre-sale estimate.

The collection includes 57 letters written by Browning, many of them unpublished, to Mrs. Bronson and her daughter Edith who were his hostesses in Venice.

They were sent during the last years of his life and include opinions of figures such as Tennyson and Wagner, "a great genius but a greater curmudgeon." The lot also contained letters from Elizabeth Barrett Browning, some autograph poems, and a letter to the poet from Burne-Jones.

The sale realised £28,100. An extensive series of about 490 letters written by Norman Douglas to Professor John Mavrogordato was bought by Winifred Myers Autograph for £2,700, also above forecast. The letters cover the writer's middle and old age and show how Douglas used Mavrogordato as his critic. "Be murderous, be assassin like. I have grown very groggy about prepositions."

A first limited edition of T. E. Lawrence's Seven Pillars of Wisdom sold to Dawson for £1,550. It was a copy presented by Lawrence of Arabia's brother, A. W. Lawrence, to Captain Charles Allen, the surgeon who tried to save T.E.'s life after his motor-cycle accident. Another copy from this edition went to Rota for £1,550.

Among the other interesting items were letters and poems by the young E. M. Forster to his confidante, Florence Barger. In them, the novelist admits his homosexuality and says: "It may be better for the next generation, even for the men and women in it who are like me." They sold for £600.

The most interesting of Sotheby's sales was at Belgravia with the first auction devoted exclusively to objects produced by the Minton ceramics company. It totalled £40,220. Most of the items were sold by the Minton Museum which raised over £33,000. It is using the money to finance an expansion of the museum.

The top price of £3,300 was paid by a London dealer, Duncan Smith, for a pair of Minton blue ground pate-sur-pate vases, probably made in 1872. The pate-sur-pate technique was introduced to Minton by the Frenchman Solon, and this must have been one of his first creations. The price was within forecast.

Other good results were £2,500 for another pair of pate-sur-pate vases of 1900; £2,300 for a single vase of 1894, which had a retail price then of £420; and £2,100 for another pair of vases of 1892. An interesting price was the £1,300 for a boat-shaped vase made in 1925. It sold at auction in 1969 for £650.

A sale of toy soldiers and model railways and cars at Phillips made £16,572. A six-foot collector's model of the Great Northern locomotive Scorpion was bought for £1,500, and a wooden model of an 1810 Blackwall frigate went for £450.

TV/Radio

† Indicates programme in black and white.

BBC 1

11.25 a.m. The Engineer Through the Looking Glass. 12.25 p.m. Pobol y Cwm. 12.55 News. 1.00 Pebble Mill. 1.45 Chigley. 3.43 Fanny Cradock Cooks for Christmas. 3.58 Regional News (except London). 4.00 Play School. 4.25 It's the Wolf. 4.35 Jackanory. 4.50 Boss Cat. 5.15 Fabulous Animals. 5.40 Magic Roundabout.

5.45 News.
6.00 Nationwide.
6.50 Sportswide.
7.00 "Son Of Lassie," starring Peter Lawford and Donald Crisp.
8.35 The Good Life.
9.05 News.
9.30 Switch.
10.20 Michael Crawford looks at the stars and films on BBC 1 this Christmas.
10.30 Olympia International Show Jumping Championships.
†11.22 "The Gunfighter," starring Gregory Peck.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m. Pili Pala. 6.00-7.00 Wales To-day. 7.00-7.10 Cartoons. 7.10-7.35 Heddiw. 7.35-8.05 Fo a Fe. 8.05-8.35 The Max Boyce Show. 11.20-12.00 The Christmas Story, oratorio by Schütz (simultaneous with Radio Wales). 12.00 News for Wales.

Scotland—6.00-7.00 p.m. Reporting Scotland. 11.21-11.22 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.00 Scene Around Six. 11.21-11.22 Northern Ireland News.

England—6.00-7.00 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

11.00 a.m. Play School.
7.30 p.m. Newsday.
7.55 Pot Black.
8.20 The Money Programme in America.
9.05 Poems and Pints.
9.30 Spirit of the Age.
10.20 Trinity Tales.
11.15 Newsnight.
11.30 Closedown: William Lucas reads "Norfolk" by John Betjeman.

LONDON

10.00 a.m. Spiderman. 10.20 Dusty's Trail. 10.45 Boney. 11.30 Afloat. 12.00 A Handful of Songs. 12.10 p.m. Hickory House. 12.30 Look Who's Talking. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon Money-Go-Round. 2.30 Galloping Gourmet. 3.00 Theatre of Stars. 3.55 General Hospital. 4.20 Robert's Robots. 4.50 Magpie. 5.20 The Flintstones.

5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Who Do You Do?
7.30 Rising Damp.
8.00 Hawaii Five-O.
9.00 Beryl's Lot.
10.00 News.
10.30 Police Five.
10.40 Russell Harty.
11.30 Police Woman.
12.20 a.m. The Great Celestial Soap Opera.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.30 Friday Afternoon Film: "The Voyage of the Yes," starring Desi Arnaz Jnr. 5.20 University Challenge. 6.00 About Anglia. 7.00 Hogan's Heroes. 8.00 The Collaborateurs. 10.30 Probe. 11.00 The Friday Late Film: "Daughter of the Mind."

ATV MIDLANDS

10.00 a.m. Planting for Pleasure. 10.25 Feature Film: "The Lion," starring William Holden. 1.20 p.m. ATV Newsdesk. 2.30 Feature Film: "All My Darling Daughters," starring Robert Young. 5.20 Supersonic. 6.00 ATV Today. 7.00 Don't Drink the Water. 10.30 Extra Time. †11.00 Feature Film: "That Kind of Woman," starring Sophia Loren.

BORDER

10.35 a.m. Jason King. 12.30 p.m. Police Surgeon. †1.20 Border News. †2.30 Friday Matinee: "Made in Heaven," starring David Tomlinson and Petula Clark. 5.20 University Challenge. 6.00 Border News and Lookaround. 7.00 Mr. and Mrs. 10.30 Border Parliamentary Report. 11.00 TV Movie: "Scream of the Wolf." †12.20 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 2.30 The Friday Matinee: "Gulliver's Travels." 5.20 Children of the Moor. 6.00 Report at Six. 7.00 Treasure Hunt. 8.00 The Streets of San Francisco. 10.30 The Master Chefs. 10.50 Late Night Film: "The Undercover Man." 12.15 a.m. News and Weather in French.

GRAMPIAN

11.10 a.m. Kainai. 11.45 Afloat. 1.20 p.m. Grampian News Headlines. 2.30 Friday Matinee: "Scandal At Scourie," starring Greer Garson and Walter Pidgeon. 5.20 University Challenge. 6.00 Grampian Today. 7.00 Don't Drink the Water. 8.00 Barnaby Jones. 10.35 TV Movie: Banacek. 11.55 Evening Prayers.

GRANADA

9.30 a.m. Sesame Street. 10.25 The New Adventures of Superman. 10.45 The Land. 11.05 The Woody Woodpecker Show. 11.30 Clapperboard. 11.55 Barbar the Elephant. 1.20 p.m. This Is Your Right. 2.30 Friday Matinee: "Calling Bulldog Drummond," starring Walter Pidgeon and Margaret Leighton. 4.20 The Beachcombers. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Space 1999. 8.00 The Streets of San Francisco. 10.30 Kick Off. †11.05 The Late Film: "The Face at the Window," starring Tod Slaughter. 12.15 a.m. Theatre of Stars.

HTV

10.20 a.m. Hammy Hamster's Adventures on the Riverbank. 10.35 Sesame Street. 1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 2.30 Friday Matinee: "Tom Sawyer." 4.20 Elephant Boy. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Space 1999. 10.30 Free Time. 11.00 Boney.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20-4.50 Stesion Cantamil. 6.01-6.18 Y Dydd. 10.30-11.30 John Morgan on Who Runs Wales? 11.30 Two's Company.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report Wales.

SCOTTISH

11.00 a.m. Magnificent White Nomad. †1.25 Road Report. 2.30 Feature Film: "In Broad Daylight" starring Richard Boone. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 A Joke's a Joke. 7.00 The Protectors. 8.00 Combat. 10.30 Ways and Means. 11.00 Late Call. 11.05 Friday Thriller: "Home for the Holidays."

SOUTHERN

10.00 a.m. The Nature of Things. 10.25 Hammy Hamster's Adventures on the Riverbank. 10.45 Untamed World. 11.10 Wait Till Your Father Gets Home. 1.20 p.m. Southern News. 2.00 Women Only. †2.30 Korda Classics: "Over the Moon," starring Merle Oberon and Rex Harrison. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day By Day (Channels 6, 11, 27, 42, 55 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66). 6.35 Out of Town Christmas Special. 10.30 A Southern Report. 11.00 Police Woman. 11.55 Southern News Extra. 12.05 a.m. The Doris Day Show.

TYNE TEES

10.55 a.m. Starting Point. 11.00 Night of Surprises. 11.05 Technoflash. 1.20 p.m. Lunchtime News and Lookaround. 2.30 Danger Man. 3.25 Farmhouse Kitchen. 5.20 University Challenge. 6.00 North East News. 6.05 Division. 7.00 And Mother Makes Five. 10.30 Sportstime. 11.00 The Friday Night Film: "A Kiss Before Dying." 12.40 a.m. Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.30 Friday Matinee: "Barnacle Bill," starring Alec Guinness. 4.18 Ulster News Headlines. 5.20 University Challenge. 6.00 UTV Reports. 6.25 Police Six. 7.00 Fire House. 7.30 Wild Wild West. 8.30 Sportscast. 10.30 Tom and Tommy. 11.05 Police Story.

WESTWARD

9.25 a.m. The Adventures of Seaspray. 9.50 Inner Space. 10.15 The Woody Woodpecker Show. 10.40 Planet of the Apes. 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.30 The Friday Matinee: "Gullivers Travels." 5.20 Children of the Moor. 6.00 Westward Diary and Sports Desk. 7.00 Treasure Hunt. 8.00 The Streets of San Francisco. 10.32 Westward Late News. 10.35 Late With Danton. †10.50 Late Night Film: "The Undercover Man," starring Glenn Ford. 12.15 a.m. Faith for Life.

YORKSHIRE

11.00 a.m. Technoflash. 11.25 Benny and Marie. 11.45 History of the Cinema. 1.20 p.m. Calendar News. 2.30 The Beachcombers. 3.00 Houseparty. 3.25 Farmhouse Kitchen. 5.20 University Challenge. 6.00 Calendar. 7.00 And Mother Makes Five. 10.30 Calendar Sport. 10.45 The Avengers. 11.40 Night Gallery.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 Rosko's Round Table. 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Contact. 7.02 Simon Bates (S) including 7.15 and 8.15 How Far Can You Go? 8.27 Racing Bulletin. 8.45 Contact. 9.02-11.30 Pete Murray's Open House (S) including 9.15, 10.15, 11.15 Christmas competition. 10.30 Waggoners' Walk. 11.30 Jimmy Young (S) including 12.15 and 1.15 p.m. Christmas competition. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland). 2.05 and 3.45 Sports Desk. 4.30 Waggoners Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 A Question of Fun. 7.30 Ronnie Aldrich concert (S). 8.30 As You Were (S). 9.02 Friday Night is Music Night (S). 10.02 Barn Dance (S). 11.02 Sports Desk (1,500m only, also 202m Scotland, VHF joins Radio 1). 11.06 Len Jackson with The Late Show (1,500m only, also 202m Scotland, VHF joins Radio 1). 12.00 News.

RADIO 3 — 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Palestrina (S). 9.45 BBC Northern Ireland Orchestra (S). 10.30 Viennese Music, part 1 (S). 11.45 Interval Reading. 11.50 Viennese Music, part 2. 12.10 p.m. Midday Prom, part 1: Tippett, Haydn (S). 1.00 News. 1.05 Playbill (S). 1.20 Midday Prom, part 2: Mussorgsky, orch. Ravel (S). 2.00 Schwetzingen Festival 1975 (S). 2.40 Haydn? Concert of music attributed to Haydn (S). 3.00 Scoring and Re-Scoring (S). 4.30 Poulenc and Milhaud, concert (S). 5.25 Pied Piper (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Life-lines: Leisure and Recreation. 7.30 Music from Pebble Mill, part 1: Mozart, Brahms (S). 8.20 Russian Landscape Painting talk by Sir Cecil Parrott. 8.40 Concert, part 2: Schumann, Fauré. 9.30 Death in Venice. 10.20 Schoenberg's Orchestral Variations (S). 10.45 Music Now. 11.25 News.

RADIO 4 — 434m, 330m, 285m and VHF

‡ Medium Wave only

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today, including 6.50 VHF Regional News, 6.55 Weather, programme news. 7.00 News and more of Today, including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today, including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Pride and Sensibility. 12.00 News. 12.02 p.m. You and Yours. 12.27 Petticoat Line. ‡12.55 Weather, programme news, VHF (except London and S.E.) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour from Birmingham including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Top of the Form. 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the Week. 8.30 Any Questions. 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.25 Week Ending. 11.40 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 3.45 The London Gardener. 4.03 The Cecils of Hatfield. 4.32 Home Run including 5.00 and 6.00 London News Desk. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 Sounds Good. 10.03 Single File. 12.00-12.05 a.m. As Radio 2.

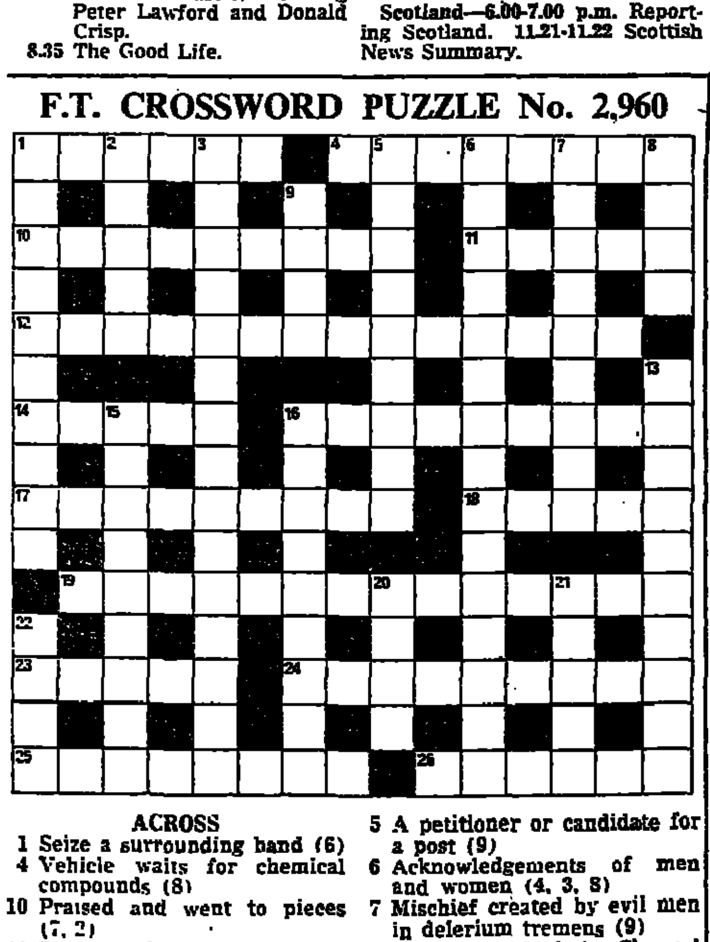
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M."—breakfast-time show. 10.00 George Gale—talking to London. 12.00 Newswatch. 2.00 p.m. Newswatch—second edition. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Adrian Love. 1.00-5.30 a.m. Nightwatch (news every half-hour).

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash On Delivery with Peter Young standing in for Dave Cash. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It (rock show). 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,960



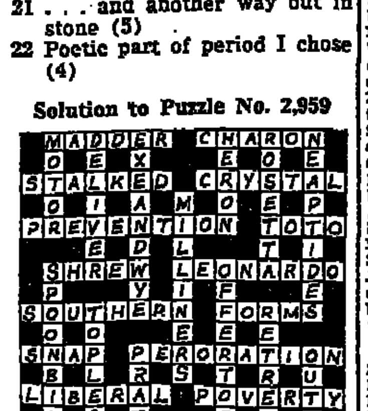
ACROSS

1 Seize a surrounding band (6)
4 Vehicle waits for chemical compounds (8)
10 Praised and went to pieces (7, 2)
11 Be unsteady making farewell greeting to the right (5)
12 Uncommon call in concert before young leader turns round this way (14)
14 Nothing in arm with a bouquet (5)
16 Suavity making bachelor arrive and point (9)
17 Racecourse sailor has a medicine (5, 4)
18 Speak out, out-and-out (5)
19 Go by unusual green coach or another form of transport (9, 5)
23 Follow mother in principle (5)
24 Time a line should be changed to get rid of (9)
25 Cease photographing a violent onset and have a striking appearance (3, 1, 4)
26 Agree when despatched (6)

DOWN

1 Bird on a hot dish — That's a pest (10)
2 Left to gain by labour and become informed (5)
3 Intensely enthusiastic and sharp as a condiment (2, 4, 2, 7)
5 A petitioner or candidate for a post (9)
6 Acknowledgements of men and women (4, 3, 8)
7 Mischief created by evil men in delerium tremens (9)
8 Southern vessel in Channel Island (4)
9 Revise incorrect diet (4)
13 Drawing together like circle in tent (10)
15 Attack on southern laughter without hesitation (9)
16 Silly and empty-headed (9)
20 Way-out way to die? . . . (4)
21 . . . and another way out in stone (5)
22 Poetic part of period I chose (4)

Solution to Puzzle No. 2,959



CINEMAS ARE CONTINUE[D] ON PAGE 27

Cinema

Holiday fare

by NIGEL ANDREWS

Dog Day Afternoon (X)
Warner West End, ABC's Bayswater and Fulham Road
The Man Who Would Be King (A) Odeon Leicester Square
The Adventure of Sherlock Holmes' Smarter Brother (A) Carlton
Jacqueline Susann's Once Is Not Enough (AA) Empire

Christmas is the time when film critics play Ebenezer Scrooge: wheezing out disgruntled jeremiads against the standard of movie fare usually dished up by distributors for the Yuletide season. This year, thankfully, looks like being an exception. There is the customary annual share of Disney reissues and glossily worthless new releases: but by and large it's a better Christmas than most, and two of the new films—*Dog Day Afternoon* and *The Man Who Would Be King*—offer the moviegoer a serious alternative to spending long, turkey-stuffed afternoons in front of the television.

Dog Day Afternoon is quite the best cops-and-robbers film to have come out of America this year. *It is based on a real incident that took place in Brooklyn three years ago: a bank robbery* masterminded by a young homosexual who wanted the money to buy his male lover a sex-change operation. Truth, as ever, is stranger than fiction; and in this case it has also proved a lot more profitable. The film has been minting money in the United States, and among the picturesque by-products of its success has been a lawsuit from the original criminal's family demanding appropriate compensation for the film's defamatory influence on their lives.

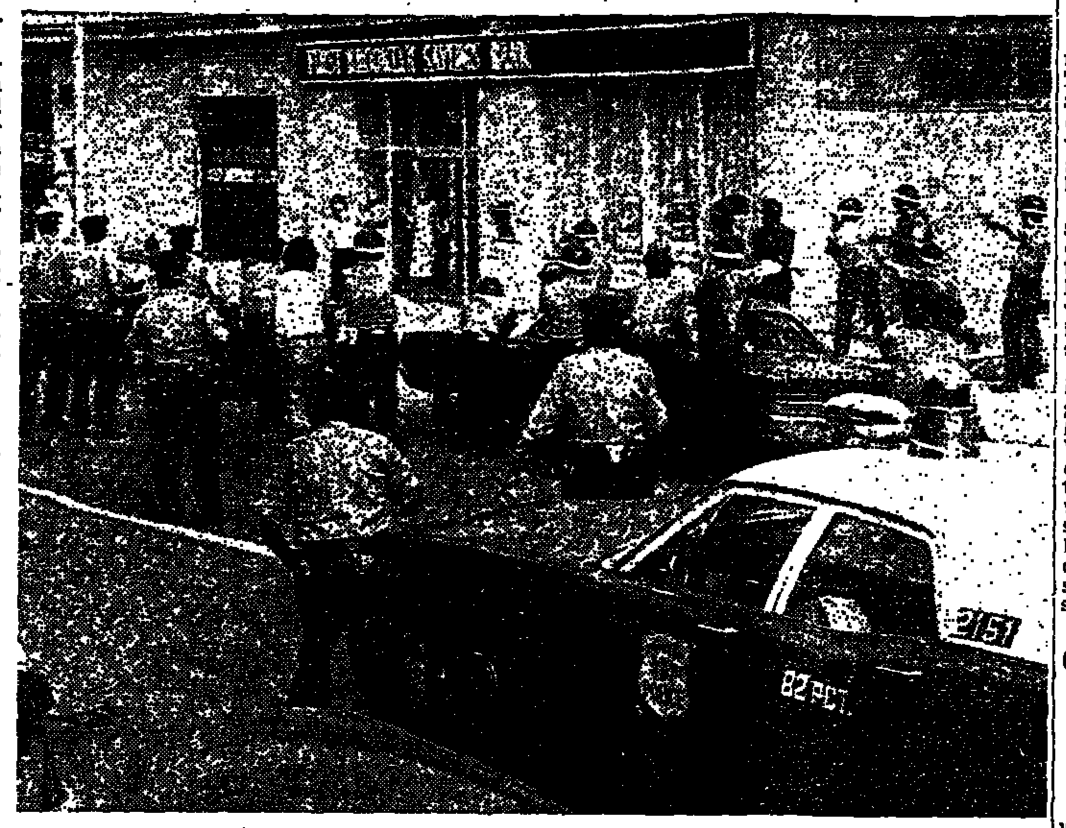
It is hard, really, to imagine anyone feeling defamed by the film. The robber hero (Al Pacino) and his accomplice are such self-evident amateurs that their bungled crime (the police have the bank surrounded before they can even collect the money) and their equally maladroit handling of the ensuing siege (they hold the bank staff hostage until a bus is produced to drive them to Kennedy Airport and a waiting jet) elicit a fascinated incredulity rather than horror or dismay. Not that the film is short on excitement—we never quite know whether Pacino's trigger-happy sidekick (John Cazales) will wreck the precarious safety of the operation—but the dynamics of the plot are never allowed to engulf the comic details of the characterisation.

Pacino's worried and eager incompetence as the hero is a delight, and the film is packed with telling cameos from the supporting actors. *Many of the* best scenes take place on the sidewalk outside the bank: a no-man's-land where bank robber and police chief can parley in strained equilibrium while the hostages are held at gunpoint inside, and the proliferating crowd of onlookers behind the police cordon hoot, cheer or cat-call according to their sympathies. Sidney Lumet, who showed in *Serpico* that he is the best director for this kind of hot-from-the-press crime thriller, directs with a jackdaw eye for detail that frequently manages to lift the film from suspense thriller to social document. And it's good to see that hitherto *indefatigably* humourless genre, the American cops-and-robbers film, *having the courage for once* to laugh at itself.

★

Christmas is an appropriate time for tall stories, and tall stories come no taller than Rudyard Kipling's *The Man Who Would Be King*: a tale of two ex-British Army rogues in the 1880s who travel from India to Kafiristan in order to make their fortunes and set themselves up as kings. It is an enthralling and far-fetched story, and John Huston's film version does more justice to its colourful original than one could have hoped from early reports of a prolonged and *expensive production*, and from qualms at its somewhat eccentric casting. *(Michael Caine and* Sean Connery, both long-in-the-tooth for their roles, play the army buddies: Christopher Plummer makes an oddly mid-Atlantic Rudyard Kipling).

The film takes the form of a giant flashback, the opening and closing scenes showing us Kipling's meeting with Caine, the sole survivor of the duo, a year or so after he has seen both men off on their journey. (The author is seen working at the time as a reporter for the Northern Star in Lahore). The bulk of the film is set in the mythical Kafiristan (shot in Morocco) and imbued with a spirit of exoticism and comradeship-in-adversity that is definitive material for Huston. Few directors could have lavished so much care on reproducing the sights and sound of the landscape—bleached desert, crumbling rocks, shimmering sky—and yet allowed the story and characters to emerge with undiminished vigour.



A scene from 'Dog Day Afternoon'

A surprisingly good double act Caine and Connery make, *furthermore. The early scenes* are full of a hearty, mock-Victorian badinage that one suspects one will tire of: but *once the adventure proper gets* under way, the contrast between Caine's *ebullient* cockney sarcasm and Connery's rough-hewn self-importance is consistently effective. (Connery it is who ends up being crowned king by the natives and hailed as a descendant of Alexander the Great.) The film's climax is melodrama pure and splendid—Caine and Connery fleeing before hordes of bloodthirsty natives as their imposture is realised: and it is good to see the cinema returning to this kind of old-fashioned, full-blooded adventure story without a trace of condescension or nostalgic chic.

★

It is becoming evident that no one with the name of Wilder should be encouraged to make films about Sherlock Holmes. The first such adventure was Billy Wilder's limp and whimsical comedy *The Private Life of Sherlock Holmes*. The second is Gene Wilder's *The Adventures of Sherlock Holmes' Smarter Brother*, a fanciful tribute *to the immortal sleuth that* gets bogged down, like its predecessor, *in a series of desperately* feeble surrealist gags and much mock-Victorian period bric-a-brac.

The smarter brother in question is one Sigerson Holmes (played by Wilder himself), a jealous sibling of the great detective who gets a chance to make his own reputation when his brother departs from London leaving him to handle unfinished business. A complicated plot ensues concerning the theft of a document from the Foreign Secretary's safe: the characters involved including a scatter-brained music hall singer (Madeline Kahn), a pop-eyed police sergeant (Marty Feldman) and an excitable Italian tenor (Dom De Luise). Also on hand are three of the Conan Doyle originals: Douglas Wilmer and Thorley Walters as Holmes and Watson, and Leo McKern as a somewhat overripe Moriarty.

It is all pretty dismal. Wilder's forte as a comedian has hitherto been a kind of deadpan, pixillated intensity—seen at its best in the Mel Brooks comedies—but here the burden of writing and direct*ing the film as well* as starring in it seems to have cramped his *style. Sequences that start out* promisingly—a duel on top of two racing hansom cabs. Wilder and Feldman posing as glass fitters *to eavesdrop on a conversation* through De Luise's French windows — disintegrate through poor timing and poorer comic chemistry. (Wilder's deadpan manner belongs to a different film from McKern's caricatural overkill.) And it is all too emblematic of the film's failure to communicate that the last sequence of all contains an extended visual gag that no one in the Press show audience even understood.

★

Jacqueline Susann's Once Is Not Enough is the latest progress report on the international jet set. Will handsome, ageing film producer Kirk Douglas marry beautiful cryptolesbian Alexis Smith? Will daughter Deborah Raffin make it with millionaire playboy George Hamilton? What is drunken best-selling novelist David Janssen's interest in woman-shy astronaut Gary Conway? The film is not quite up to the demented calibre of *Beyond the Valley of the Dolls*, but it's still a very passable Christmas treat for lovers of high-class Hollywood hokum.

Open Space

Artaud at Rodez

by B. A. YOUNG

Antonin Artaud was shut up in madhouses from 1939 to 1946. The last three years were spent at the clinic of Dr. Ferdière, a cultured and enlightened man who did what he could for him and ultimately released him at his friends' request.

In this play Charles Marowitz shows in a sequence of scenes employing some experimental techniques how Artaud behaved, how he was treated in his various hospitals and how his influence has been perceived since his death.

We meet him first in hospital, *lying on a stretcher for ECT* given with a Wimshurst machine *from the Frankenstein labs.* What had been his behaviour *outside? In the theatre*, asked to make a simple entrance, he would crawl in on all fours or stump in dragging his legs one by one with his arms. He carried an ornamental walking-stick which he insisted was the shillelagh of St. Patrick, and sometimes he would threaten people with it. Rehearsing his play *The Cenci* he discussed funds instead of performances.

Clive Merrison makes a moving figure of him, a Modigliani picture with his dark hair brushed back from his tortured face, his neck rising from a grey hospital smock. Artaud was really raving mad, but Mr. Merrison can arouse more than routine sympathy for the handicapped; he shows us not an average madman but a man driven mad by restless devotion to ideals that *always retreat beyond his reach.* Happiness hovers near him as *he make extempore translations* of *Alice* at Dr. Ferdière's prompting; *but if there is a mention of* madness or illness he drifts off at once into insanity. Mr. Merrison speaks excellent French, incidentally, the only one of the company that comes nearer than fourth-form pronounciation; it was indiscreet, as well as unnecessary for Mr. Marowitz to have peppered his script with so many French words for the rest.

The conclusion is at once dramatic and pathetic. We have seen how Artaud's ideals are at first adopted only by hippies who do not understand them. But at his funeral his admirers line up to see his coffin laid to rest—Ferdière, Roger Blin, Riviere of the NRF, Dullin and so on. They leave him with every sign of respect. But from inside the coffin a thunderous banging has begun. . . .

Apart from Artaud, Ferdière (Richard Mayes) and Jacques Rivière (Brian Gwaspari), all well taken, there are no parts of any magnitude. The eccentricities of the production characteristic of the author-director are ably carried out. We have not at the end learnt anything new about Artaud; but we have seen a sharp and sympathetic portrait that is worth seeing.

Oxford Playhouse

Beauty and the Beast

The rich man's quest for the white rose to bring pleasure to his honest daughter Beauty is what nearly spells doom in the proverbial French story that Frank Marcus has dramatised as the *Playhouse's* Christmas play. For the rich man is led to the *Beast's castle and there to a set* of negotiations which land *Beauty into the monster's hands*, and finally to the point where she takes pity on the poor Beast whose terror melts into tender regard.

In turning it into a pantomime *Mr. Marcus has skilfully framed* the story with the French lady who originally wrote it down and a panto dame, the widow Crunch who is 823 years old. The lady becomes a fairy, a stodgy and *"fully licensed* French fairy" who provides some excellent comedy, making her first entrance carrying a *copy of Le Figaro. The story* itself is told with an elegant *simplicity*, with a *successful* twist at the end, when Beauty, *at first, wants* the Beast back instead of the matinee idol prince he turns into the moment she says she will marry him.

There are some strong dramatic scenes such as the Beast's first confrontation with Beauty, and the exchanges between *Beauty's sisters are lively*; I like also the anthropological *touch when one of them marries* an 18th-century lecturer. This *is all very absorbing and* entertaining, with seriousness *lightly touched upon, and there* are some good laughs as when *Mrs. Crunch, played endearingly* by Hugh Paddick, feeds a cuckoo clock with cough mixture.

What possibly could be improved is Vivian Matalon's production which although well-paced and faithful to the story, and innocent of gimmickry, could, I feel, make more of the magic, the pity, and the terror. More powerful music than Stephen Oliver's pleasantly turned strains of harpsichord, might help, and more scenic disturbance as well by way of storms, threatening bowers (though the Beast's sound is chilling enough). Some of the moments too in Christopher Gable's otherwise trenchant performance as the Beast and Debbie Bowen's sincerely touching Beauty could be more strongly underlined.

The sovereign's opportunities for recognition of horror and relief are not quite made the most of. Gordon Case is well cast for exhibitions of the noble savage, but not quite so well for his function as the singing messenger. And while I admire the use of make-up rather than *papier mâché* to make the Beast credible, I think his pop group type of beastliness wouldn't put anyone off these days.

GARRY O'CONNOR

King's Head

Carol's Christmas

Frank Marcus has another Christmas play on at lunchtime at the King's Head. This is *Carol's Christmas*, a half-hour fragment originally written for television. It achieves the remarkable double of being as sentimental as *A Christmas Carol* and as up-to-the-minute as *The Killing of Sister George*.

Carol (Prunella Gee) is a tart with a heart of gold and pretty with it. As items in her stock-in-trade she will play any part from a schoolgirl up, though she doesn't "do discipline."

One Christmas, a new customer who has telephoned to make an appointment proves to be Santa Claus, red cloak, white beard, the lot. He doesn't want a schoolgirl, he doesn't want discipline, he just wants to be believed in. Carol has a similar problem; she doesn't want to be a schoolgirl or anything else, she wants to be a bit more certain what she is.

The enigma is resolved for both of them in a moving scene of mutual approach that has nothing whatever to do with sex, though it begins with Carol's taking off the clothes that tie her to her professional deceits. It is beautifully played by Miss Gee and Nigel Stock, whose Santa Claus is magnetic enough to extract belief from the most confirmed agnostic. The director is Stewart Trotter, and Carol's sad little bedroom is designed by Barry Parman.

B. A. YOUNG

London Opera Centre

Lully's Alceste

by RONALD CRICHTON

The winter productions at the London Opera Centre's home in *Commercial Road have attracted* attention, and rightly so. The *auditorium, a converted cinema* with the audience in the circle, *the wide, deep stage covering* half of what used to be the stalls, gives them a special character. Last year's production by *William Chappell of The Fairy Queen* was in many ways *remarkable*. This week, still more enterprisingly, they are doing *Lully's Alceste*—two more performances, up to and including Saturday. *Mr. Chappell* again produces. James Robertson conducts the Europa Singers and the orchestra from *the Guildhall School of Music*.

So another gap in our know*ledge of baroque opera begins* to be filled. Monteverdi and *Cavalli are becoming familiar*. Rameau has made an impression *in the concert hall, but stage* productions of his operas are rare. Lully, the Florentine domiciled at the court of Louis XIV, *who by his ambition*, industry and ruthless use of his monopoly, *established* the lines on which French grand opera was to run for about a century, has been missing. Even if this *Alceste* was a flop the LOC would still deserve gratitude. It is not a flop (though not a total success either), so they deserve hampers full of recognition.

The work itself and its peculiar composer must wait for consideration in due course with the CBS recording under Jean-Claude Malgoire (three-disc album, CBS 79301) which, incidentally, prospective pilgrims to Commercial Road will find very *useful*. Briefly, *Alceste* (1673) was the second of Lully's *tragédies lyriques*. Success at Versailles was later repeated in Paris before a wider public. The situation familiar from Gluck's *opera on the same subject* is here decked out with a sub-plot and *with comic servants of a* type familiar from Venetian opera. *Alceste is given in a* version made by Lionel Salter for a BBC broadcast with an English translation by James Robertson. This is assumed to be the first English performance.

This stage is so unlike a baroque theatre or palace chamber that Mr. Chappell has wisely avoided an attempt at recreating the style of the period. Both singers and dancers (from the Rambert School of Ballet) have to negotiate many levels, steep stairs and long exits and entrances. He is concerned to keep the movement fluid and the stage from looking too vast and empty. On the whole, with the aid of a well-designed set and symbolic props and projections by David Myerscough Jones, and with excellent lighting by Graham Walne, he has succeeded in a daunting task. The show runs with creditable smoothness. The stylised battle is not altogether happy, *but the* hell scenes (with Charon dealing roughly with one obol-less passenger) come off handsomely.

Considering how uneasily French declamation of this kind (even in translation) generally falls from our native lips and throats, the level of singing was encouraging. With so large a cast (an alternative one on Saturday) only a few can be named. Pamela Brady and Keith *Lewis*, Alceste and Admetus, must be mentioned for their stylish singing and movement. Others who caught the attention (positive identification was not always easy) were *Patricia Schreiber*, Evette Davis, Gwendoline Ross, André Ouellet, *John Farnsworth*, Ian Fishman, Arnold Dvorkin. *The cello and harpsichord con*tinuo started timidly but *gathered warmth and conviction*, the orchestral playing was competent, *though in this large space* one could do with more of the *punch and precision* for which Lully's own band was noted. The *main thing is*—where else in the world are you likely to see a Lully opera done as well as this—and by students?

Round House

Le Grand Magic Circus

by MICHAEL COVENEY

For the third year running Jerome Savary and his *delightful troupe come to Chalk Farm*, this time with a show for hard times about a company fallen on them. The action is conducted by *M. Savary* in his familiar despairing, mock-moralising *tones and starts with the enact*ment of a Nativity scene in a small village; a 14-year-old Mary, heavily pregnant, is teamed with a 70-year-old, drunken Joseph. She gives birth to a wolf-baby played by a midget and abandons him for dead.

The baby is found and resuscitated by some poor animals re*cently fired from the Trampolini* Circus. There follows a series of *picaresque adventures*: the girl Marion recommends herself to the crooked circus owners with her body; she is cast as Cinderella to an ineffectual prince (despised by the peasants and good only for the cover of *Woman's Own*) and is finally sent to a school of correction where a tiny nun, played by the midget in drag, studies pornographic pictures and the school mistress tortures her pupils.

Marion escapes and visits an empty theatre. The front rows of the audience were on Wednesday asked to evacuate their seats in order to assist this illusion, and a superb tatty cabaret featuring one drum majorette, Isadora Duncan pirouetting to "The Rustle of Spring" and the prince, who now seeks popular fame as an actor, *playing all the* parts in *Romeo and Juliet*. The *wolf-boy appears and Marion is* reunited with her son.

The second half of the show reveals the Trampolini Circus *out on the road*, reduced *to pro*grammes of sex and violence in order to stave off total disaster. Needless to say, these scenes are enacted with charm and good humour. At one stage, two really delicious naked girls invite a member (pun intended) of the audience to share their sheets. It is the most innocent *interlude* imaginable and will disappoint all voyeurs. M. *Savary encourages* children who have not seen their mother naked to avert their eyes. One of the girls longs to perform some*thing sincere*, which she does, but we don't see it because we are assured it is boring. The company, now fully unemployed, enters Paradise after contributing their blood to the ruling classes who are, naturally, in work.

Whether or not M. Savary's company really are poor there is no way of deducing from the show, for the proceedings, although on a *smaller* scale than in previous years, are whimsical, engaging and thoroughly sentimental. But here is, chiefly, a wonderfully entertaining essay on the nature of theatre, *the value of entertain*ment and, above all, the need for art in *depressed times*.

The Labour Cabinet should see this show before they see anything else in London. A French troupe have, through their inimitable art, expressed *the necessity of keeping* that art alive. Their show is not only *colourful, poignant, imag*inative and humorous; it is also *worth more* than *all* the recent pleas of our perilously im*poverished subsidised theatres*, because it puts the questions in the *language of the theatre and* not of the politician.

Purcell Room

Oxford Wind Ensemble

The familiar complaint about all-wind recitals—about the expressive limitations of unrelieved wind tone—could not be made on Wednesday of the Oxford Wind Ensemble, which brought along strings (in Stravinsky's Concertino for 12 instruments) and piano (in Martinu's *La Revue de Cuisine* Suite) to complement the purely wind combinations of the Stravinsky Octet, Varèse's *Octandre* and Janacek's sextet *Mladi*. It was a programme of exceptional interest and vitality. Unfortunately, it was also an evening of technical strain the stringency of which was underlined by the inability of the *young*, enthusiastic, not completely accomplished band always *to clear the hurdles cleanly*.

The Concertino (the 1952 *adaptation* of the early string quartet work) is a cruel start *to any concert*. It needs the kind of spot-on-the-off-beat pre*cision that was not everywhere* evident under the Ensemble's conductor, Anthony Sargent; also, from the *violino obligato* a mastery of Stravinsky's sliding, cross-grained string-writing style that prevents the part from sounding like musical mud-walking. There was in the performance a perception of the light-textured, sharp-pointed manner required without quite the instrumental dexterity to achieve it. *Octandre*, that brilliant burst of energy, wanted a tougher-mettled quality of sound, a clearer balance of parts, than it received here.

In the less demanding pieces, performances were correspondingly less flawed. The Martinu ballet suite is a witless, composing-by-number summary of jazz-age clichés; it clearly gave pleasure to the performers, one of whom, the pianist Julian Dawson-Lyell, was exceptionally well grounded in the incisive rhythms and stinging touch such music almost comes alive on. The beauties of *Mladi*, its glorious lightness of spirit, were sympathetically conveyed, though the twists and turns of the horn part tended to press hard on the player's technique. The Stravinsky Octet, which ended the evening, catalogued all the performing characteristics experienced earlier. It may seem unkind to train so harsh a light on youthful inexperience; but the music chosen was itself the harshest judge.

MAX LOPPERT

Palladium

Peter Pan

by DEBORAH PICKERING

The practice in television studios during recordings of variety shows is to coerce the audience into maximum response with a show of semaphores or what are known in the trade as "idiot boards." The latter were insiduously incorporated in stagey pauses from the principals in this year's *Peter Pan*, backed by a programme extolling their television histories and enthusiastically, nay, ecstatically, received by an audience who might well have been at Television Centre.

Rachel Gurney (she played Lady Marjorie Bellamy in *U & D*) was the *etiolated* Mrs. Darling, coloured with pretty gowns and moulded *coiffure*. Ron Moody, a pompously pathetic, *Mr. Darling* stockbroker, infused gutsy horror into a Captain Hook *who* snarled, raged and strutted, and sibilantly effected a Bogart *pastiche*. He drew one true, spontaneous reaction from a *three-year* old inches from my ear, who yelled "Gerrorff!" but *the constant* hisses, adult-primed, were, what they also call in the trade, "*over* the top."

Lulu swang throughout—*on or* off her wire—and where missing on magic, made up *with* malevolent grins and gestures.

The sets and *thunderous* musical backing were Palladium-style. If this *production* is the shape of *Peter Pan* to come the original is *surely* an anachronism and Sir James Barrie hissing in his grave.

WORLD TRADE NEWS

BRITAIN'S IMPORT CONTROLS

Relief in Japan

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Dec. 18.

JAPAN REACTED in an extremely relaxed manner to Britain's announcement of import controls noting, in a statement to-day by the Foreign Ministry official spokesman, that the controls were "considerably limited in extent" and that Japanese exports to the U.K. would probably suffer no direct effect.

The strongest expression in the Foreign Ministry statement was one which described import control measures as "undesirable from the viewpoint of expanding international trade."

The Japanese reaction, or lack of reaction, is understandable in the light of the fact that TV and TV tube imports will only be subjected "surveyance licensing" under the British measures, and not to any quantitative controls. Japan is the biggest exporter of both products to the U.K. but its colour TV shipments to Britain have been limited up to now by a "voluntary restraint" arrangement adopted by the Japanese industry after talks with its U.K. opposite numbers. The existing voluntary restraint arrangement for colour TV expires at the end of this year, and will apparently not be renewed.

The reason for non-renewal is the very simple one that Japan's exports of colour TV to the U.K. in 1975 will fall short of the 225,000 limit set in the restraint arrangement. In the light of that fact the U.K. apparently did not feel justified in asking for industry-to-industry talks which could have led to an extension of voluntary restraint.

Japan's TV tube exports to Britain have not been subjected to voluntary restraint and were the cause of some friction early this year when the U.K. industry complained that Japan's prices were unreasonably low.

Prices charged by Japan during the autumn negotiations for 1976 delivery contracts, however, have shown substantial increases. Japanese TV tube prices are now said to have reached the point where U.K. tube makers can compete "on an equal footing." That fact has evidently made it unnecessary for the U.K. to introduce anything more severe than a checking system on TV tube imports.

The other point about the U.K. controls which has been greeted with relief in Japan is that they do not include cars. Japan came under strong pressure in the summer and autmn to do something about the spectacular increase in its 1975 car exports to Britain.

Shipments in recent months appear likely to be at or even slightly below the level for the same months of 1974, following a 65 per cent. rise in shipments during the first seven months of the year. For 1975 as a whole Japanese car exports will average out at around 30 per cent. above 1974.

Japan was asked to restrain car exports at a meeting of the U.K. and Japanese motor industry leaders which took place last July, and was asked again by Mr. Peter Shore, Secretary for Trade, who visited Tokyo in September. The response to the approaches by Mr. Shore and the Society of Motor Manufacturers and Traders has evidently been enough to persuade U.K. motor manufacturers—although not necessarily union leaders—that import quotas are unnecessary for the time being.

Despite signs of a slowing down in Japanese car shipments, U.K.-Japan trade remained sharply out of balance during the first nine months of 1975, when Japanese exports were 20 per cent. above a year earlier at £509m., while British exports to Japan fell 8 per cent. to £250m.

Figures for the past few months suggest, however, that the U.K. may be on the verge of a recovery in sales to Japan, while Japanese exports to Britain could start to level off.

Japanese customs clearance figures show October imports from Britain were 3.7 per cent. below a year earlier but nearly 12 per cent. above the previous year in November.

Dismay in E. Europe

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

EAST EUROPEANS reacted with a mixture of dismay and some relief to restrictions. They were pleased that cars had been omitted from the measures, since they account for some of their fastest growing sales to Britain. But Britain's demands for further restraint in sales of shoes and clothing could seriously affect their exports.

Contrary to earlier reports the measures do not affect Yugoslavia, although it is a larger producer of suits and shoes.

Britain has asked Czechoslovakia, Romania and Poland to extend their voluntary curbs on sales of men's leather shoes—originally agreed a year ago—into 1976 and to expand them to cover women's and children's shoes.

All three countries have complained that their total sales of those items to Britain account for only a fraction of the total British shoe market, and that the measures are therefore unfair. East European sources in London pointed out that Britain has a surplus on much of its trade with Comecon countries and that it should permit Eastern Europe to try to establish a balancing flow.

The Department of Trade, on the other hand, pointed to the sharp rise in shoe imports from Comecon this year. In the first nine months Poland and Czechoslovakia had already reached the 1975 total and in some categories far surpassed them.

In clothing, Britain is asking Poland, Czechoslovakia, Romania, Hungary and East Germany to agree to restrain sales of mens' and boys' suits made of wool, again provoking a reaction from East Europe that such business is negligible in terms of the total British market.

DoT figures show Hungary sold 20,000 suits in the first nine months of 1975, against 5,000 in the whole of 1974, and East Germany 12,000 against 8,000 in the whole year 1974.

Romania, the biggest exporter, sold 181,000 suits in the first nine months, against total sales of 191,000 last year.

A DoT spokesman said yesterday it was hoped the East Europeans would agree to voluntary restraints by the end of this year and that new levels could be introduced in 1976.

W. German 'great concern'

BONN, Dec. 18.

THE WEST GERMAN Government has sent a telegram to the European Commission expressing great concern about Britain's new import controls. The telegram was sent to M. Francois-Xavier Ortoli, president of the European Commission, by Herr Hans Friderichs, the West German Economics Minister, who was authorised by the Cabinet, the Ministry of Economics said.

The West German Government feared the U.K. measures "could start a dangerous development in the restriction of world trade."

Herr Helmut Schmidt, the West German Chancellor, said on television last night that he was very unhappy about the controls, which he described as a serious precedent.

To-day's telegram stated that the West German Government realised the difficult position in which Britain found herself. But at the moment when most industrial States had overcome the lowest point of the recession all measures which could hamper an economic upswing should be avoided.

Herr Friderichs said in the telegram he knew West Germany's views were identical with those of the Commission. He was certain the Commission would apply the Community's law strictly in examining the British measures and would also exercise its authority in accordance with the aim of upholding the free flow of goods in the community. Reuter

NIGERIAN CEMENT CONTRACTS ENDED

LAGOS, Dec. 18.

A BRITISH, a U.S., a French and a Yugoslav company supplying cement to Nigeria have each agreed to cancel without compensation contracts worth about Naira60m. (£45m.), the Government-owned New Nigerian newspaper said to-day.

Quoting Mr. Fred Egbe, chairman of a panel dealing with Nigeria's cement glut, the paper said the four unnamed companies wanted the Government, for its part, to make prompt payment for cement already delivered to the Ministry of Defence. Mr. Egbe explained that the companies had agreed to the cancellation of orders totalling 1.5m. tonnes, and urged other contractors to do the same. Reuter

Japan may inspect cars in Europe

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Dec. 18.

JAPAN HAS agreed to "move in the direction" of sending its inspectors to Europe to test European cars for conformity with Japanese safety standards, instead of requiring that cars destined for export to Japan should be tested in Japan.

This concession, contained in a reply to a "note verbale" on the car inspection issue submitted by the EEC Commission to the Japanese Foreign Ministry, is regarded as a significant concession in the heated Japanese-European debate about car inspection procedures.

The Japanese inspectors, if and when they do go to Europe, would inspect cars for conformity to the "qualitative" standards which are a peculiarity of the Japanese car safety system. Japan had already agreed that European governments could carry out some testing on the more straightforward "quantitative" standards which Japan also uses.

A Ministry of Foreign Affairs spokesman said to-day that Japan would probably have to train additional inspectors before it could comply with the EEC request to send inspectors to Europe, but it was now prepared at least to "study" ways of doing that.

Japan has also agreed to increase the amount of translation of Japanese safety regulations available to foreign car exporters, although it still declines to translate all existing safety regulations into English.

Another concession is the agreement in principle to use the date of manufacture of imported cars rather than the date of import as the "reference point" for imposing new safety controls. This will avert the possibility of European cars already on the way to Japan having to be shipped back because of newly introduced regulations.

The Japanese say, however, that they will require some form of authentication of car manufacturing dates, probably in the form of a certificate from the Government of the exporting country.

On standardisation of inspection procedures, another point raised by the EEC, Japan says it is ready to accept some EEC safety regulations in place of its own where they are "more severe" than existing Japanese regulations, but it is not prepared to adopt the EEC alternative in all cases where it is as severe or more severe than the Japanese.

EEC regulations will be taken into account in future revisions of Japanese controls which may become necessary for domestic reasons.

The Japanese posiiton on car inspection rules—regarded in some quarters as a serious non-tariff barrier to European car exports to Japan—was communicated to the EEC just before last week's bilateral Japan-EEC meeting at Brussels. The Japanese claim that the EEC reaction was favourable, and that their position on the inspection issue was regarded as "positive."

Dead Sea plan to generate electricity

By L. Daniel

TEL AVIV, Dec. 18.

A 50-MILE tunnel to carry water from the Mediterranean to the lowest spot on earth, the Dead Sea, to generate electricity, is now economically feasible. A final sudy for possible implementation should be undertaken immediately, the Israel Government is recommended.

The project, once termed a pipe dream, has become worth while following soaring energy costs and would save the country $13m.-$16m. per annum at to-day's prices, according to Professor Shlomo Eckstein, who headed the survey for the Government.

The plant could generate 800m. kWH, which would be enough to meet 10 per cent. of Israel's peak demand for electric power ten years from now. Total cost of the project, according to preliminary estimates, would be $200m. at 1974 prices, which would make it economically feasible since the same amount of electricity generated by fuel oil or atomic energy would cost more per unit.

Moreover, hydro-electric power can be used more efficiently, since it can be turned on and off to accommodate peak demand, which is more costly with atomic energy.

The report therefore urges that the Israel Government proceed with the necessary geological and technological surveys for possible early implementation. The tunnel, 13 feet in diameter, would rise from sea level between Ashdod and Ashkelon (30-40 miles south of Tel Aviv, rising over the hills of Judea, South of Jerusalem, falling 250 feet to a reservoir, and from there to 1,200 feet below sea level to a power station at the north western side of the Dead Sea.

With small additional investments, the projects could provide a number of side benefits, such as the supply of much-needed sea water for the Dead Sea chemical works, for other industries in the Negev Desert, for cooling other electric generating plant and flushing pipes.

Malaysian petrochemical project

BY OUR ASIA CORRESPONDENT

BRITISH, EUROPEAN and Middle Eastern concerns are putting the final touches to a multinational plan for a $1.2bn. oil and petrochemical complex to be built in Malaysia. According to Malaysian sources the project, which will be the biggest in the Far East, needs "only the nod from Tun Razak," Malaysia's Prime Minister.

The plant will be built for Petrogas Malaysia at Port Dickson, in the State of Negri Sembilan. Malaysian interests, including government ones, will hold 51 per cent. of the equity; Arab governments and financial institutions (including those from Saudi Arabia and the United Arab Emirates) will take 40 per cent.; and the remaining 9 per cent. will be owned by European technology-based companies, probably mainly French.

It is intended that the plant should be export-orientated and that its products should compete worldwide. When it comes on stream it will be producing 1,500 tons of urea a day, 200,000 tons of ethylene a year, and 250,000 barrels a day of refined oil.

In addition, Petrogas hopes to set up liquefied natural gas and plastics industries in association with the plant. Later, it will go in for making drilling rigs and platforms.

Finance for the scheme will come from European and Arab sources. I understand that arrangements are under discussion for $700m. to be put up by a European consortium led by a British bank; $500m. will come from countries in the Gulf; and a further $150m. has been offered by another country, but negotiations have not yet started.

The plant will be built by a consortium of ten European and North American companies, and the oil will all come from the Middle East, although Malaysia is a net exporter of oil.

Export Contracts

ACS ENGINEERING SALES, Stamford, Lincolnshire, only a year in business and with an export sales manager for only three months, has secured a £250,000 Swedish order for British-designed and built hydraulic lifts.

U.K. offices in Czechoslovakia

BY DAVID LASCELLES

CZECHOSLOVAK OFFICIALS yesterday gave further details of their new law allowing foreign companies to open branch offices in Prague.

Companies will have three options:

To set up branch offices initially for one year, subject to a licence from the Ministry of Foreign Trade, in agreement with the Ministry of Finance. If the branch fulfil its licence, the original one will be renewed.

To appoint local agents to act on their behalf.

To send representatives to reside in Czechoslovakia while negotiating contracts with Czechoslovak foreign trade corporations, for periods not exceeding six months in any one calendar year.

As in the past no licence will be needed by companies taking part in trade fairs organised by the Czechoslovaks.

At present companies associated with banking, rail, air and river transport are excluded from the new arrangement. Priority will be given to companies which have already built up good trading relations.

Branch offices must remain part of the parent company and will not have the status of a Czechoslovak corporation, although they will be entitled to engage in sales promotion and publicity.

AMERICAN NEWS

Storm over New York law to prohibit Arab boycott

BY GUY DE JONQUIERES

NEW YORK, Dec. 18.

A STORMY controversy has broken out in New York over a sweeping new state law designed to prohibit compliance by American businesses with the Arab boycott against Israel.

The new law, due to go into effect on January 1, is widely opposed by bankers, industrialists, exporters and transportation operators, who complain that it is so broad and so loosely-worded that it is impossible to predict how it will work. Some of them are warning that they may be forced to suspend some foreign business transactions until the law's application is clarified.

The law, which was passed by an overwhelming majority of the state assembly last summer, prohibits any form of discrimination on the basis of race, colour, creed, sex or national origin. Though aimed primarily at the Arab boycott, the law does not refer to it specifically, nor does it stipulate exactly what kinds of activities would constitute an offence.

One of its more contentious features is that it is apparently designed to extend beyond the boundaries of New York State. The state human rights commission, which is charged with its enforcement, would be empowered to act against alleged offenders even if they are not New York State residents and if the violation occurred elsewhere.

Such offenders would be barred from transacting any business in the State. The law also provides for legal sanctions preventing the continuation of violations — and for stiff fines if these orders are not obeyed. By contrast, the Federal Government merely requires businesses to report any transactions with Arab countries which call for compliance with the boycott against Israel, and penalties are imposed only for failure to make such reports.

The constitutional standing of the law has been challenged in court by General Electric, which argues that only the Federal Government has jurisdiction over foreign trade. The judge dealing with the case has promised a decision by the end of the first week in January.

In the meantime, business associations and State Government representatives have been meeting privately in an effort to agree on a working definition of the law, but so far without success. Many businessmen and lawyers believe that if the law is allowed to stand in its present form, its application will be defined only through a series of test cases in the courts.

Ford facing Watergate row

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Dec. 18.

WHATEVER satisfaction President Ford may have gained to-day from the House's refusal to override his veto of the Tax Bill must be set against mounting evidence of his domestic political troubles. Already embroiled in bitter confrontation with Congress over economic policy, Angola and labour legislation, he faced three new problems this morning.

These are the allegation that he has been less than frank in public testimony over his granting of a pardon to former President Nixon, an embarrassing climbdown in order to secure the nomination of George Bush as new head of the Central Intelligence Agency, and further dissension over the role of Vice President Rockefeller in next year's elections.

The furore over the Nixon pardon may turn out to be the most serious since it appears to impute Mr. Ford's honesty, a quality which has been one of his few strong suits of late. In the Washington Post this morning, the celebrated Watergate reporting team of Carl Bernstein and Bob Woodward charge that Mr. Ford talked about freeing Mr. Nixon from the possible legal consequences of his involvement in the Watergate cover-up at least ten days before actually pardoning him.

This the Post story matches against Mr. Ford's public testimony before Congress in October, 1974, when he stated: "At no time after I became President on August 9, 1974, was the subject of a pardon for Richard Nixon raised by the former President or by anyone representing him" and "Nobody made any recommendation to me for the pardon of the former President."

Nobody really knows here how the spectre of Watergate will affect next year's Presidential election. Mr. Ford's hope, however, must be that the nation has put the matter from its mind, not least because of his own transparent honesty.

The George Bush problem came to a head this morning and involved Mr. Ford in the sort of climbdown he would probably have preferred to avoid. The Senate Armed Services Committee did vote this morning to approve his nomination as new head of the CIA but only after receiving an assurance from President Ford that he would not consider Mr. Bush as a potential running mate in next year's elections.

Further evidence of this dissension surfaced this morning when Vice President Rockefeller, already ruled out of the Republican ticket next year but nonetheless a potential rallying point for Republican moderates, stated that he would not be campaigning for Mr. Ford in the early primaries next Spring. "His campaign manager said that I was a liability to him," Mr. Rockefeller said on TV this morning.

This is a statement that may well be remembered more vividly than all the Vice President's protestations that he favoured Mr. Ford over Mr. Reagan and that he thinks Mr. Reagan is "peaking" too early. It will also not boost the already faltering reputation of the President's political advisers.

Veto on tax cut upheld

BY DAVID BELL

WASHINGTON, Dec. 18.

THE HOUSE of Representatives to-day upheld President Ford's veto of the Bill which would have extended the present tax cuts for a further six months.

The vote—with 265 in favour of overriding the veto and 157 in favour of it—fell 17 votes short of the two-third majority necessary to override a Presidential veto and is likely to be hailed as something of a success by the President. He has so far used the veto 41 times and seven of the 17 attempts to override vetoes have succeeded.

Democratic leaders in the House said that it was most unlikely that a new Bill would be presented before the end of the year and American taxpayers will thus have to pay an average of 8 per cent. more in taxes from the start of the year.

Mr. Ford had insisted that Congress should agree to a budget ceiling for the fiscal year beginning October 1, 1976, as a condition of his approval of the $6.5bn. tax cut but Congress refused to do this.

Air Force officers' rebellion in Argentina

By Robert Lindley

BUENOS AIRES, Dec. 18.

SERVING and retired A[...] Force officers this mornir[...] arrested the Air Force Co[...]mander, Brig-Gen. Hector Lu[...] Fautario and called for th[...] overthrow of the Peron Go[...]ernment and an end [...] corruption in the countr[...] Their rebellion has not spre[...] to the Army and the Navy.

Gen. Fautario was seized [...] 7.20 am at the Air Force military base within Buen[...] Aires' metropolitan airport [...] he was about to take a pla[...] to Cordoba City. The gener[...] who has been replaced on [...] interim basis by Brig.-M[...] Jose Maria Klix, the servi[...] Air Force officer next to him [...] seniority, is being held at t[...] Air Force's La Mazzorca ba[...] in the delta near Buenos Air[...]

Also in the rebel hands, [...] addition to the base at t[...] Buenos Aires metropolitan a[...]port, is the Air Force base [...] Moron just west of Buen[...] Aires.

The Air Force rebels ha[...] released a proclamati[...] demanding: (1) "The termi[...]tion of the corruption reign[...] in the country," (2) th[...] "those officers who obey the[...] superior commands corre[...] their error," (3) that the[...] officers join "this movemen[...] and (4) "the overthrow of [...] Government."

At mid-day an Army sour[...] said that the Air For[...] rebellion "has been broug[...] into focus but has not be[...] terminated." The rebels in t[...] Sixth Brigade at the Mor[...] Air Force base have sent [...] radiogram to the Arr[...] Commander, Gen. Jor[...] Videla, asking him to take ov[...] the Government.

But as the hours go by wi[...] little likelihood of this happe[...]ing—at least at the moment [...] the Air Force rebels reduc[...] their demands to a re-orga[...]sation of the top echelon [...] the service. It is now report[...] that virtually the entirety [...] the Air Force Officers Cor[...] would be momentarily conte[...] if Gen. Fautario, whom th[...] consider too much identifi[...] with President Maria Este[...] Peron, were replaced as A[...] Force Commander by Bri[...]dier Orlando Agosti. Brigadi[...] Agosti was jailed for fo[...] years for rebelling abortive[...] against the previous Peroni[...] Government which was final[...] toppled in 1955.

If Brigadier Agosti becar[...] Air Force Commander, [...] more top-ranking offic[...] would be obliged to resign [...] well because they would [...] passed over.

URBAN AMERICA'S POOR BLACKS

'Less hope, more fear'

BY MAURICE IRVINE IN LOS ANGELES

WATTS, the black ghetto of Los Angeles which ten years ago went up in flames amid bloody rioting that shocked America and later caused a new drive for black economic development, to-day has a shopping centre with the enigmatic name of One-15. The name means nothing to the few whites who venture into this community scarred with vacant lots cleared for abandoned renewal projects. To Watts residents it couldn't be clearer: the 1st and the 15th of the month are when the welfare and social security cheques arrive.

It is estimated that Watts, and places like it around the country, have a 50 per cent unemployment rate, if the underemployed and the many who have simply stopped visiting labour offices to find work that is not available are taken into account. "That's the real problem here," says Mr. Ted Watkins, a black, heavy-built spokesman for the Watts Labour Community Action Committee. "We were here before the riots, we saw the conscience money come and go, and we're still here. What I see now is less hope, more crime, more fear, fewer services."

The committee, the shaven-headed Watkins says, runs training programmes for kids, manages the One-15 market, teaches labour skills, and has a variety of self-help projects going, but its staff and budget have been cut in half since the fat years when perhaps as much as $400m. flowed into Watts to build a medical centre and housing, start small industries, and generally revitalise the area. The money is long gone, and so are most of the 200 community organisations which sprang up to help spend it.

Yet there seems to be no threat of renewed rioting. The "black rage" of the 1960s has turned inward, expressing itself to-day in anti-social and self-destructive attitudes. Young black men under 25 are now the most suicide-prone group in the nation. Alcoholism is increasing, and hard-drug use has not decreased. The gun murder rate is ten times higher than that among white city dwellers.

How typical is Watts of America's 23.7m. black population as a whole? It would seem to be all too typical. Over the past decade millions of blacks have joined the affluent mainstream of life in the U.S., yet a huge lower class remains, undereducated, underemployed, unable to escape from their status as wards of the Welfare State.

Sen. Edward Brooke, the lone black in the U.S. Senate, observes that around 8m. people, about one-third of the black population, are still considered, officially, to be living in poverty. The figure has barely changed since 1968, when the Nixon administration took over and began cutting Lyndon Johnson's Great Society programmes. The latest statistics from the Census Bureau are not encouraging. For decades, until 1969, the income gap between black and white families had been narrowing. During the past five years it has been widening. In 1970 black median family income was 61.3 per cent. of the white median; last year it had fallen to 58.8 per cent.

A factor often ignored is that the income of the blacks is much less evenly distributed than that of whites. "You might say there are two nations," according to Mr. Orde Coombs, a black author making a study of the problem. "A sizeable minority has made it into a well-heeled middle class. But between them and the lower class, there isn't much. It's like two different worlds."

The instability of many black families has a direct influence here. The census shows that as long as a man remains head of a black household, its income continues to catch up on white.

> "A sizeable minority has made it into a well-heeled middle class. But between them and the lower class there isn't much. It's like two different worlds."

Unfortunately, the number of black families headed by a lone woman is increasing: since 1969 it has risen from 28 to 35 per cent.; it is 10 per cent. among whites. This seems to be partly related to the high unemployment rates among black males (10 per cent. nationally, or twice the white rate), and the vagaries of a welfare system which, some studies suggest, encourages family break-up. The father moves out so that the wife can qualify for more aid—welfare, food stamps, and other assistance.

All this is not to deny the important gains made by blacks—for instance in education and political power. They have come a long, and often bloody, way from the days of the "peanut gallery" to which they were relegated in cinemas, the segregated bus, or the colour bar in sports which lasted until 1947. Blacks could not reserve a Pullman seat on a train, or try on clothes in stores. They appeared on the cinema screen only as stereotypes—the Tom, the Coon, the Mammy, the Buck.

The anger and alienation this produced is far from dead, although even that once-ferocious symbol of black militancy, Mr. Eldridge Cleaver, now assures Americans that "black people have undergone a fundamental change for the better." What the ex-Panther leader and author of Soul on Ice, given his new enthusiasm for democracy, may have in mind are the impressive advances made in the political field. More than 3,000 black elected officials are running communities, cities, schools and police departments around the country to-day (ten times as many as a decade ago). In Congress, blacks have 18 seats, in state legislatures, 278.

In California the Lieutenant-Governor, the head of state education (who controls the largest slice of the state budget), the mayor of the biggest city, Los Angeles, and many other functionaries, are black, although blacks make up only 10 per cent. of the population.

Black capitalism, too, has taken great strides forward; but the general picture, in these recessionary, inflationary times, is not overwhelming. In the 1960s, for instance, blacks controlled perhaps a dozen minor banking institutions; to-day there are some 50 black-run banks, but they are all too often in a state of financial crisis, and their assets are small indeed compared with those of the giants of the U.S. banking world. None has over $70m., and they represent only a tiny proportion of America's 14,000 banks. The recession has brought about numerous shutdowns and bankruptcies. The big problem was that too few black banks carried too heavy a load of investment in black businesses suffering badly from the economic slump. None the less, the advent of black banking has done something to relieve financial discrimination. In the 1960s [...] instance, banks refused to al[...] blacks the maximum permiss[...] interest on passbook sav[...] accounts. Only when scores [...] black banks were established [...] offered the maximum did w[...] banks begin to come into l[...]

Few blacks hold many direc[...]ships in big corporations, [...] or accounting firms, altho[...] some giant companies—IBM [...] Xerox especially—have take[...] lead in giving them respons[...] positions. "Most of it is win[...] dressing, however," a b[...] executive working for a [...] Angeles television company e[...]plains. "In their hearts, [...] think they have lowered st[...]ards every time they eleva[...] black man to a better positi[...] True or not, there are to-d[...] according to Fortune—s[...] 379,000 blacks in manag[...] posts, or half as many agai[...] in 1969.

Among the more distur[...] aspects of the situation is [...] curious new form of segrega[...] that has sprung up in m[...] population centres, as wh[...] flow out to the suburbs, lea[...] the poorest blacks and o[...] ethnic minorities in the stra[...]hold of the Inner City. To[...] 60 per cent. of all blacks [...] in these decaying central a[...] of towns which can no lo[...] raise the funds for decent t[...]port, education, and other [...]vices. Work becomes inc[...]ingly scarce there as emplo[...] follow the white middle [...] out to the suburbs. And [...] process is continuing: in [...] past few years the black po[...]tion of the inner cities [...] grown by 3.5m., while [...] whites have fled to past[...] new.

Does it all add up to [...] fundamental change for [...] better?" Or has Mr. Cle[...] in his seven-year exile, f[...] victim to the notion con[...] among whites that the pres[...] of so many successful blacl[...] the public eye means [...] America has solved its r[...] problems, or is at least mo[...] steadily in that direction? [...] visit to Watts could p[...] enlightening.

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OVERSEAS NEWS

Mozambique police, soldiers 'try to take over capital'

JOHANNESBURG, Dec. 18.

RADIO Mozambique said to-day that about 400 policemen and soldiers had attempted to take control of the capital, Lourenco Marques.

The radio, monitored here, said there were heavy casualties in fighting between the group and loyal Frelimo (Mozambique *Liberation Front*) troops.

Another broadcast to-day by *Radio Mozambique* said an armed rising had been crushed in Lourenco Marques yesterday. The radio, quoting the Lourenco Marques newspaper Noticias, said members of "a band of armed reactionaries in uniform" had been killed, wounded or captured. The newspaper described what took place as a "provocation" against the armed forces, the police and the people.

The fighting *in* Lourenco Marques is believed to have been caused by agitation *in the* army against a recent clamp-down on "corruption" in its ranks. Several hundred soldiers, policemen and civilians were arrested in the purge earlier this month, some of them on charges of promoting subversion in the armed forces.

President Machel recently appealed to the population to keep a close watch on members of the armed forces and report any misbehaviour. But there was no violence reported until to-day.
Reuter

Bridget Bloom writes: With so few details available, the reasons for what appears to have been an attempted coup in Mozambique are far from clear. The involvement of police suggests the *possibility that the move* was by anti-Frelimo elements, since the police force, about 70 per cent. African, was taken over by the independent Frelimo Government from the Portuguese with few changes.

However, it is also being suggested that the fighting may have reflected divisions within the Frelimo forces, if not the Frelimo political establishment. *The roughly 10,000 strong* Frelimo army is being reorganised from a guerilla force into a *more conventional* force, and there have been disagreements about the way this should be done.

Additionally, the establishment of a Popular Security Service—called SNASP—which is independent of both army and police and is in the sole control of President Machel, has been a cause of friction as the Mozambique Government, independent *for* only six months, endeavours to establish its control over the country.

Smith Minister rules out immediate African rule

BY TONY HAWKINS SALISBURY, Dec. 18.

A RHODESIAN Cabinet *Minister* says he will not be party to any constitutional changes that give control "in the foreseeable *future*" to the Black majority.

In a letter to his constituents, Mr. Mark Partridge, a Smith *loyalist and Minister of Lands* and Natural Resources, says that such a handover would be in no one's interests as events elsewhere clearly demonstrate. The Minister also says that any constitutional change requires a two-thirds majority *in* the Rhodesian parliament. "I be*lieve that* all the Rhodesian Front Members of Parliament are of like mind to myself." (The ruling RF Party holds all 50 White seats in the 66-seat Assembly.)

Mr. Partridge says that the only change of major importance to Rhodesia's strategic position *had been the collapse* of the Portuguese empire. This had *not had the gloomy consequences* predicted and, indeed, when Mozambique was under Portuguese control the military situation was more critical than at present. He is confident that short of military opposition by *one of the major powers*, Rhodesia can contain the military situation.

Mr. Partridge says tht not only will Rhodesion communications remain open with South Africa but it is quite possible that Rhodesia's use of the Mozambique ports will increase because *of that country's dependence* upon Rhodesian trade and food supplies.

Mr. Partridge told his constituents that the talks with the Nkomo African National Council were being pursued in search of an *aceptable political situation*, but "I repeat this solution will not give control to an African majority."

Tripoli fighting flares

BEIRUT, Dec. 18.

FRESH FIGHTING broke out in the northern Lebanese city of Tripoli during the night, Beirut Radio said to-day.

This and clashes elsewhere in *the country tore new holes* in the latest ceasefire agreement. Some fighting took place in parts of Beirut but the city was generally calm, the Radio said.

Gunmen from the mainly Moslem city of Tripoli have frequently clashed this year with *rivals in nearby Christian* communities. Beirut newspapers said to-day that the Lebanese owners of a 500-ton Panamanian-registered ship seized by leftists in Tripoli had agreed to a pledge by the owners not to give funds to *right-wing* Phalangists.
Reuter

Ihsan Hijazi adds from Beirut: The politics of the Lebanese crisis have grown tenser as Muslim and Leftist leaders escalated their campaign for the resignation of President Sulieman Franjieh and the Interior *Minister*, Camille Chamoun, both of them Maronite Christians.

Socialist leader Kamal Jumblat has made his agreement to any national reconciliation conditional on these resignations, and the former Premier Saeb Salam, the prominent *Muslim leader*, accused both Franjieh and Chamoun of heading their own "gunmen" and said that the crisis cannot be eased until they resign. These Muslim leaders have been further angered by President Franjieh putting the blame for the continuation of the fighting on the Palestinian commandos. The demand for the President's resignation is not new. That for Mr. Chamoun's is.

MALAYSIA

Terrorist comeback

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

THERE IS not much to see at Raub apart from trees, and trees, and trees. But there is a lot going on. A constant chit-chatter of monkeys, twitter of exotic birds, humming and buzzing and chirping of all sorts of insects comes from the dense jungle which *provides excellent* cover for the wildlife—and for Communist terrorists. Raub has come to occupy an important place recently on the Malaysian *map because it has been a base* for attacks upon them.

From the safety of the road, the jungle does not look too impressive; some English forests would tower over it. But the trees are huddled low and bound together by creepers spinning themselves from every branch *and* trailing the floor, snares even for the wary. A man who does not know the area can wander six paces from the path and be hopelessly lost. That *makes the job of the security* forces so hard.

In the past few months it has got much harder, and some Malaysians have begun to compare the new Communist attacks with the days of the Emergency of the 1950s. *This year the Com*munist terrorists have killed more than 50 and wounded 150 members of the Malaysian security forces; the security forces have managed to *kill* perhaps one Communist for every *three of their own* dead.

The terrorists have extended the *scale* and the range of their attacks. They used only to ambush patrols on the border. This year they showed new daring, attacked the Kuala Lumpur military *airbase* and *destroyed* one aircraft. They followed that by blowing up the National Monument in Kuala Lumpur commemorating the victory over the terrorists and by attacking a police field force with grenades, *killing two policemen and wounding* 50.

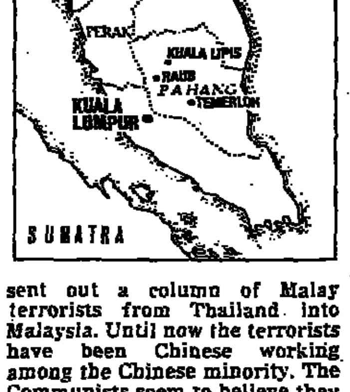
These are public acts of bravado, intended to scare the general public. The authorities are more worried that the terrorists have managed to infiltrate and re-establish themselves in their old cells in the States of Kedah, *Perak, and Pahang*. In Pahang, for example, the State which includes Raub, a group of about 60 began to make its way from Thailand more than a year ago. It got as far as Lipis before the Malaysian authorities realised its presenee. Immediately, this year a major operation was launched *against the terrorists*. About 20 Communists were killed and dozens of food dumps uncovered on the fringes of the jungle.

That indicates something of the success of the terrorists. The remaining 40 Communists have split into groups and have spread themselves out far and wide *across several hundred miles of* jungle. Even more alarming is the discovery that they have already recruited at least 200 people into their supply arm, the Min Yuen.

The old stagers who lived and fought through the old Emergency are inclined to play down this news. *One tin miner who* has been in Malaysia for 25 years, Datuk David Gibson, told me: "It is nothing like the days of the Emergency. Then if you wanted to move about the country you had to go in convoy —if you were allowed to go at all. Your car had to be armour-*plated and you carried a Mauser* at your hip and had someone in the back with a machine gun. You always carried your gun and at night kept it loaded under your pillow."

Certainly, things are quieter now. The main obstacle in moving around is that the roads *are often jammed* full with the cars of a prospering middle class, and that the airlines are booked. The ordinary person is likely to encounter Communists only in his newspapers. During the Emergency proper there were *about 10,000 Communist terror*ists; to-day there are about 2,000, of whom only 500 are actually operating full-time from Malaysian soil.

For all this, there are reasons for disquiet. Intelligence reports suggest that for the first time the Malayan Communist Party has



sent out a column of Malay terrorists from Thailand into *Malaysia. Until now the terrorists* have been Chinese working among the Chinese minority. The Communists seem to believe they can tap grievances of many rural Malays who are as poor and as close to the earth as ever. *The column is heading for* central Pahang, from where its members could do a lot of mischief.

During the Emergency the Communists had a number of well-supplied cells around *Temerloh*, and from there they could contact students at the universities in Kuala Lumpur. A large number of Malay students particularly those from rural homes have already demonstrated their opposition to corruption and nepotism in the establishment. The Malaysian government *has been warned of* the potential danger of Malay disgruntlement. Intelligence agents picked up reports that after the Muslim fasting month in October the terrorists organised a party on the Thai side of the border to celebrate. Seven buffaloes were slaughtered *and more than 2,000 people* turned up to be regaled by *speeches stressing* that Communism and Islam were not at odds.

Yet even when all the Communists' advantages are added up, *there is no reason* why the Government *should not be able to snuff out this resurgence of* terrorism—were it not for the tension between Malays and Chinese and the fact that the Government seems to be doing its own bit to make it worse.

This came through vividly in *an hour long interview* I had with a senior Chinese, who has an important role in the Government struggle against the terrorists.

He started off calmly enough with a summary of all the propa*ganda why the Government* would have no difficulty in defeating the terrorists. There were only about 2,000 Communists of whom only 500 were operating from within Malaysia (official figures gives to me later *by Mr. C. C. Too, the head of* the psychological warfare unit, say that there are 1,606 identified terrorists of whom 319 are based in Malaysia, the rest in Thailand). They have no popular support and no means of getting it in a growing prosperous nation like Malaysia. They were split into three factions already and although this might give initial vigour to the *campaign, in the end the* strains would tell. For the next few months attacks might increase and the Communists might regain old territory and haunts, but the intelligence services knew all the old supply lines *and dumps*.

At this point he paused, then launched into an astonishing vituperative attack on practically all Malaysia's senior Malay *politicians, in which every* sentence contained at least one four-lettered expletive.

"Those —— Malay ——s," he began. "They are ruining a good counter-terrorist organisation. Promotion in the Intelligence services is becoming caught in the corruption racket. And the Chinese are being squeezed out because of the bumiputra policy. How do you *fight terrorists who are princi*pally Chinese without a strong Chinese arm in the intelligence?" "Bumiputra" means literally "son of the soil." The policy *is an attempt to boost the posi*tion of the Malays and indigenous people who are generally poorer than the Chinese.

I put it to him that the Government was making *improvements and drafting* Chinese into the special branch and other intelligence services. He agreed, but said that the Chinese were slow to join because they knew that the Malays would always be pre*ferred for promotion*. And in at least two recent cases the worst Chinese candidates had been chosen, men who spoke and read Chinese poorly and were unfitted for sensitive intelligence work.

"It is a case of the blind leading the blind," he accused. He did not think much of the Malay military. "Their conventional gadgets such as mine detectors are useless in the wet jungle since they jam. And the *Malays are too lazy*. If a platoon is gixen an area of five square miles to search it is likely to flush the first one, then decide that the whole area is clear. Now in the days of the Emergency when the British were *in charge, not a blade of grass* was left unturned.

"When they do make a *find*, they have no one to use it. The Government has at least a roomful of captured documents, but no one who can sort them out and read them, let alone interpret them." He claimed that Mr. Too had recently been by-passed although supposedly *occupying a key position* and with a lot of experience of the Emergency.

The Government is taking stern measures to try to get on top of its problems. It recently took draconian powers of arrest *without trial. After facing accu*sations of dithering for a long time, Tun Abdul Razak, the Prime Minister, seems determined to crack down on the worst examples of corruption in his ruling party. Datuk Harun bin Idris, the *Chief Minister of* Selangor, has resigned and is to *face* 16 charges of corruption and financial malpractice. He had been under investigation for more than a year. The new five-year plan to be published next year will have much more emphasis on assistance to the poorest people in the country rather than harping on the bumiputras. The questions are whether Tun Razak really can be firm and fair and whether he may not have left things too late.

N.Z. services prices soar

WELLINGTON, Dec. 18.

POSTAL, electricity and rail charges in New Zealand will soar under an *economic package* announced to-night by new Prime Minister Robert Muldoon.

Beer and spirits are to cost more from Monday while internal air fares will rise by 5 per cent. from January 5. The *increases end a three-year freeze* on government charges introduced by the Labour party, ousted in a general election 19 days ago by Mr. Muldoon's National (Conservative) party. The package came less than a week after a heavy increase in the price of premium grade petrol.
Reuter

NO MIRAGE PLANT FOR PAKISTAN

By K. K. Sharma

NEW DELHI, Dec. 18.

MR. NORBERT SEGARD, the French Foreign Trade Minister, *to-day* denied that France intended to set up in Pakistan factories to manufacture either Mirage fighters or other armaments.

Fraser rings the changes

CANBERRA, Dec. 18.

NEWLY-ELECTED Australian Prime Minister *Malcolm Fraser* to-night announced a cabinet of 24, including one woman, to head his Liberal-National Country party government.

He also said there would be a major reshuffle of government departments, retaining by name *only eight of the 27 which* operated under the Labor Government of former Prime Minister Gough Whitlam. Seven departments established by Mr. Whitlam's administration are to be scrapped.

But Mr. Fraser, seeking to achieve a working relationship *with Australia's powerful trade* unions, made clear that he would maintain the Prices Justification Tribunal—a key body set up by Labor to adjudicate on price rises sought by business and industry. During the election *campaign*, Mr. Fraser announced his firm intention to abolish the tribunal and trade union leaders said that this would provoke a major battle with the Government.
Reuter

Timor gets 'new Government'

JAKARTA, Dec. 18.

THE pro-Indonesian forces in Portuguese East Timor have set *up a provisional government in* the territory, Indonesian Foreign Minister, Adam Malik said to-day.

Mr. Malik gave no details of the government set up by the Timorese Democratic Union, Apodeti, *Kota and Taabalista* parties. He said that pro-*Indonesian forces were now in* control of all strategic points in the territory.

The four pro-Indonesian parties have combined forces to fight the left wing Fretilin independence movement which declared East Timor independent from Portugal last month.

Fretilin was driven out of Dili by pro-Indonesian forces backed by Indonesian troops. Indonesia has not stated categorically that it considers the territory part of Indonesia though it supports the four parties whose policy is to integrate East Timor with Indonesia.

Radio Dili *from* the East Timor capital controlled by the pro-Indonesia side to-day reported five Portuguese soldiers were killed fighting on the Fretilin side.
Reuter

Warsaw Pact to 'carefully examine' Nato cuts plan

BY PAUL LENDVAI — VIENNA, Dec. 18.

THE SOVIET bloc will carefully examine the latest Nato plan submitted on Tuesday at the 19-nation East-West troop reduction talks despite its grave shortcomings."

Announcing this to-day at a Press conference, the Czechoslovak chief delegate, Ambassador Lehoda, admitted for the first time that the two-year-old talks, "had come to a standstill" albeit temporarily, with regard to the key issue of the definition of the various types of armed forces.

The Western side proposed two days ago the withdrawal of 1,000 U.S. tactical nuclear weapons in Europe along with 29,000 U.S. troops in exchange for the withdrawal of a Soviet tank army of 1,700 tanks and 68,000 men. It is understood the Soviet delegation chief, Ambassador Chlestov, speaking at to-day's plenary meeting, used essentially the same arguments as Mr. Lehoda did in his prepared statement at the Press conference. As before, the Eastern side rejects the Nato insistance on a common collective ceiling on ground forces and sticks to its demand, on the table since November 8, 1973, for a 15 per cent. across-the-board reduction of the armed forces, including air forces and nuclear weapons by all direct participants.

The Czech diplomat critised the fact that the latest Western plan ignored that delivery systems for nuclear weapons are at present possessed by "almost all Western states" whose forces are stationed in the projected zone of troop reductions. Furthermore the Nato proposals do not contain any limitation on any further increase of both the air forces and the means of delivery of nuclear weapons, Ambassador Lehoda said.

He added: "The Western states declared that they were ready to include a reduction of a certain number of U.S. tactical nuclear weapons only and under the condition that the Socialist States accept the scheme for reductions suggested by the West which suffers, as we have shown already many times, from grave shortcomings.

Nevertheless, the Eastern spokesman, who unfortunately has to deal with the Press via an interpreter, made it clear that a substantive answer to the latest Nato proposals will be given only after the Christmas recess which lasts until the end of January. The statement of the Warsaw Pact indicates that the seventh round of the troop cut talks despite a "good and favourable working atmosphere," has not managed to break the deadlock.

Reuter adds: The Soviet delegate Oleg Khlestov protested today that Nato had sought propaganda advantage in "leaking" the proposals after they were approved by foreign ministers of the Western alliance in Brussels last week.

U.S.-EEC in Unesco protest

PARIS, Dec. 18.

A DOZEN countries, including EEC members and the U.S., walked out of a meeting to-day of UNESCO after other members endorsed the U.N. resolution equating Zionism with racism.

The walkers-out also voiced objections to a Soviet-supported resolution for Government control of news and said they would back the resolution only if it was turned around to support Press freedom.

Heads of delegations from the U.S., Britain, West Germany, Ireland, France, Italy, the Netherlands, Belgium, Denmark, Canada, Australia and Israel filed down the aisles of the conference hall to make departure statements. Iraq and Algeria tried in vain to block the statements from being read.

The uproar at the meeting was seen by some delegates as still another blow to the image of the United Nations and its Agencies.

UPI

U.K. gets £35m. in first year of Regional Fund

BY ROBIN REEVES — BRUSSELS, Dec. 18.

GRANTS worth a total of £27m. have been awarded to U.K. projects in the second distribution from the EEC Regional Development Fund, announced here to-day. It brings the U.K.'s share of the Fund in its first year of operation to £35.8m.

In cash terms Scotland is the biggest single beneficiary among the U.K. regions, though Northern Ireland is getting more on a per capita basis, thanks to a £5.6m. grant towards a new Courtaulds plant in Londonderry.

Unlike the first distribution which was channelled exclusively into the U.K.'s advance factory building programme, the new U.K. allocation goes to a wide variety of infrastructure and industrial development projects.

Even so, the selection of projects has still been dictated by the desire to get the new Fund off the ground. The Commission has succeeded in committing the whole of the 300m. units of account (£125m.) available in the Fund's first year.

Next year (and the year after) the Commission will have 500m. units of account (£210m.) available for boosting growth in the peripheral regions of the Community. This could see the development of a more coherent EEC regional strategy than is apparent at the present—although the money available is still meagre by comparison with the sums most national Governments spend in this direction.

Expenditure by the EEC fund is meant to be in addition to national regional development efforts, but with public expenditure dictated by a large variety of factors, the Commission is resigned to the fact that "additionality," as it is called in Brussels jargon, is difficult to enforce in practice.

Richard Evans adds: Details of a grant of £6.2m. from the fund to help towards the cost of 84 infrastructure projects throughout England were released by the Department of the Environment yesterday.

The list, the second approved by the fund, completes the allocation of grants for 1975. The projects approved take up the full U.K. share of the fund—about 28 per cent. of the total. The rate of grant is normally 30 per cent. of eligible expenditure.

All regions are represented in the list and the projects cover a wide range of size, type and area. Among the larger projects aided are the Kielaer Reservoir scheme in Northumberland, a development at Tees Dock and two major sewerage schemes in north west England.

A range of smaller schemes includes the preparation and servicing of industrial sites by local authorities and new town corporations, the building of access roads and services.

Regional distribution of the projects is: north west region and Yorkshire and Humberside 23 each; northern region 21; the south west 11; East Midlands five and West Midlands one. The grant commitment ranges from £4m. for the northern region and £1.5m. for the north west to £11,000 for the West Midlands.

U.S., Sovie[t] Union agre[e] cargo rates

MOSCOW, Dec. 1[8]

THE SOVIET Union and U.S. reached agreement to- on a new long-term ship deal which will give work laid-up American cargo ships

The six-year accord, wh officials said "will facilitate expanding trade between two countries." was sealed a resolution of a last-minute pute over costs of shipping g to Russian ports. The Sov have bought a reported tons of grain from U.S. panies this year to eke ou disastrous harvest. They ag on September 17 that Amer ships would carry at least a t of this grain and of sup under a five-year agreem starting 1976.

The agreed rate was $16 a but earlier this month So negotiators demanded they world charter rates, a subs tially lower figure. Assis secretary for maritime af Robert Blackwell rejected demand as "totally unacc able" because of the hi costs of operating U.S. ships

The joint statement to-day dicated the Soviets have sequently backed down from demand. Mr. Blackwell has that the grain shipments c give work for 38 laid-up An can tankers.

The agreement will bee effective on January 1 execution by U.S. Comm Secretary Rogers Morton and Soviet Minister of Merc Marine, Timofey Guzhenko.

The agreement is to run 1981 and replaces a three- agreement which expires at end of this year.

UPI

U.S.-Norway talks on Svalbard archipeligo

BY OUR OWN CORRESPONDENT — OSLO, Dec. 18.

A THREE-MAN *fact-finding team* from the U.S. State Department arrived here yesterday for talks with senior officials of Norway's Foreign Ministry about Norwegian policy concerning the Svalbard (Spitzbergen) Archipeligo.

Foreign interestin Svalbard has grown recently with recognition of its strategis importance and speculation that there could be oil and gas beneath the surrounding seabed.

Under a 55-year-old treaty the islands are Norwegian territory, but the treaty says they must never be militarised and that all the signatory powers must have equal access to resources. At present, both Norway and Russia operate coalmines there. Companies from other nations have drilled for oil, from time to time, but so far without result.

The possibility that there may be offshore oil has raised the issue of whether or not Svalbard *has a continental* shelf, where the "equal access" clause of the treaty would apply. Norway says it does not, and that the surrounding sea area, outside a four mile limit, is part of Norway's continental shelf. Russia, the U.S., Britain and Holland have all reserved their position on this, however, stating that they do not necessarily accept the Norwegian view.

Both America and Britain have indicated they wan to study the matter further before reaching a decision. Hence the visit of the U.S. fact-finding team. Britain, too, has asked Norway for more background information about its Svalbard policy. Bilateral talks on the subject, at cevil service level, were held in London last month, and a new round of "informative discussions" between British and Norwegian officials is to be held here in February or March, the Oslo newspaper "Aftenposten" reports to-day.

E. Germany to rebuild road links to Berlin

BY LESLIE COLITT — BERLIN, Dec. 18.

EAST GERMANY is to rebuild the main Helmstedt-Berlin autobahn link between West Germany and West Berlin. Two-thirds of the money is to come from West Germany. This first renewal of the autobahn built in the Hitler era is to cost DM400m. and is part of a new package agreement on transit traffic between the two Germanys.

The 110-mile four-lane autobahn route is presently in a state of advanced decay. Concrete slabs in one lane jut high above those of the adjoining one and great potholes make the road a trial for all but the Soviet tanks that use it constantly. Western traffic has tripled since the four-power Berlin agreement went into effect in mid-1972, eliminating searches of Western cars and trucks by East German border guards.

A section of the Berlin Ring, the access highway to the autobahn proper, is to be widened to six lanes. Work along the entire length is to be done by East German construction crews despite the country's severe labour shortage. Starting January 1, the German Democratic Republic is to get an annual lump sum payment of DM400m. from Bonn, covering traffic tolls for Western vehicles using the four autobahn links between West Berlin and West Germany. Since 1972 the GDR has received annual payments of DM234m. for autobahn usage as agreed on in the four-power treaty.

Consumption growth curb

BY OUR OWN CORRESPONDENT — BERLIN, Dec. 18.

EAST GERMANY'S net national income — total production and distribution without the service industry—is to rise 5.3 per cent. next year according to the Government's plan. This represents only a slight drop of 0.2 per cent. over this year's plan which was fulfilled.

Private consumption is again to grow more slowly than in recent years, with a planned rise of 4 per cent. in retail trade turnover. Last year consumption in the German Democratic Republic rose by 5.9 per cent. This year's target figure was 4.6 per cent.

Industrial production is to rise by 6 per *cent. next year* compared with 6.3 per cent. planned for this year. Agricultural output is to rise by only 1.4 per cent., a figure that in the past has been over-fulfilled by a wide margin. This year the GDR has had a poor harvest and has had to contract for considerable imports from the U.S.

EEC Parliament raises budget

BY DAVID CURRY — STRASBOURG, Dec. 18.

THE EUROPEAN Parliament to-day approved the Common Market budget for 1976 after inserting by massive majorities some 102.9m. units of account (u.a.) ranging from 40m. for social expenditure to 2.5m. aid for beekeepers and a single unit of account as a symbolic amount for environmental protection.

The council has approved the Parliamentary changes which are some 12m. u.a. bigger than it was originally prepared to concede. The only opposition to the final approval of the budget in Parliament came from a clutch of Communist members while Lord Bruce of Donnington, the Labour peer and Mr. Hugh Dykes, a Conservative member abstained on the grounds that they disapproved of the way farm expenditure dominated the budget and the way the Council of Ministers had pruned its original provisions in the interests of financial restraint.

The Budget which has now emerged from the at times tortuous processes of concertation between Parliament and Council amounts to around 7.575bn. u.a. (£3.15bn.) exclusive of the costs of collection. More than 70 per cent. of this will be swallowed up by agricultural policies while other relatively important items include 440m. units for retraining and alleviating the burdens of redundancy under the social fund and 300m. for the Regional Development Fund.

The main items inserted by Parliament were 40m. for the Social Fund which ministers had left at 400m.: 30m. for research where ministers had been looking for 35m.: and 20m. for aid to non-associated countries. This is the first time that such a category has been inserted in the Budget and it has been done at Parliamentary insistence against the Council's wishes and in the face of a long-standing German veto on such expenditure while member States' aid policies remained so un-coordinated.

The figure finally agreed compares with the 6.265bn. which eventually ended up in the 1975 Budget. It compares with an initial Commission proposal for 8.071bn. which would have represented an increase of nearly 29 per cent. on the previous year and with the 7.472bn. that the Council was originally prepared to approve. Parliament's first changes hoisted the total sum back up to 7.920bn. which the Council in its turn chopped back to 7.564bn. units. At the end of its final Parliamentary run the restoration of the 102.9m. u.a. means that the 1976 Budget will run at around 21 per cent. higher than that for 1975.

Warning on French recovery

By Rupert Cornwell — PARIS, Dec. 1[8]

AGAINST A background strikes and demonstrations, French Government receive unpleasant warning to-day the nascent economic reco could well lead to a rene bout of inflation which w undermine the country's com tive position.

The bad tidings came from National Statistics Insti (INSEE), an official but i pendent judge of the econ scene. Although the Institut more optmistic than the OE in its latest outlook, and for reasonably vigorous growth France next year, its views prices are far from encoura

INSEE said that corp profits in France fell sharply than elsewhere in A subsequent increase in in trial prices to re-establi margins, followed by a hi wage bill as the upswing gat pace, could well rekindle i tion. Already, as Fin Minister M. Jean-Pierre Four said to-day, the best that Fr can hope for this year is a increase of just under 10 cent.

As matters stand, the cou seems to be emerging from recession more rapidly thar Euopean partners. But, Institute warns, excessive i tion would prevent the fruit the expected upturn in w trade being enjoyed and havoc with France's exte accounts. In the longer t growth itself would be in dan

To-day's "action day" c by the Left has also underl the general anxiety over economy, as well as symboli the basic unity of Socia Communists and their c unions after the strains ca by the recent rumpus unrest in the armed forces. evening, leaders of the Left parties marched together thousands of their supporter the traditional route from Bastille to the Place de la Re lique to show their oppositio the Government's handling o situation.

In practical terms to- strikes caused little disrup Despite stoppages in the tricity and gas utilities, p cuts were avoided.

Alliance may avert abortion referendum

BY Dominick J. Coyle

ROME, December 18.

AN "UNHOLY alliance" between supporting Italian Communists and abstaining Christian Democrats now looks like avoiding a controversial referen*dum here next year on whether* abortion should be freely available to women.

Any such referendum would, at least superficially, be a rerun of last year's celebrated appeal to the electorate on the divorce issue in which the ruling Christian Democrats and the Catholic Church were roundly defeated.

Italian feminist and radical movements have collected the necessary number of petitions to force an abortion referendum, but it seems that this move is now to be deliberately frustrated by the Government, supported by the Communist Party, with a move to alter by legislation existing procedures to allow abortion in cases where a doctor and not the women concerned would have the final say.

It is obvious that the Communists, just as much as the Christian Democrats, are anxious to avoid a referendum —which both parties believe the pro-abortion lobby would carry —the former in order to avoid what the party sees to be an unnecessary confrontation with the Catholic church which, in terms of votes at the next general election, could be counter-productive for them.

Bundesbank aims for 8% money growth in 1976

BY NICHOLAS COLCHESTER — FRANKFURT, Dec. 18.

THE West German Bundesbank to-day confirmed that it will aim to increase the average Central Bank money stock in 1976 by 8 per cent. over that for 1975. Because this quantity is expected to be growing at a rather faster rate at the end of this year and at the beginning of next, the rate of increase over the year 1976 will be rather less than 8 per cent.

The planned increase is designed to allow for the desired real expansion in the German economy next year without financing inflation as well. In a nice *display of solidarity* between the independent Bundesbank and the Government, the growth target was announced after a meeting of the Bundesbank Council to which Economics Minister Friderichs and Secretary of State in the Finance Ministry, Karl Otto Poehl, were invited. *Herr Friderichs stressed* the Government's agreement with the announced target.

The formulation of the Bundesbank's aim is clever because it does not allow any judgment of the Bundesbank's success in following it until quite late next year. Dr. Otmar Emminger, *vice-president* of the Bundesbank, agreed after the meeting that the chief significance of the Bundesbank's announcement was psychological; it quantified an attitude.

Dr. Emminger said that the Central Bank money stock had been chosen as the variable to be *controlled* because experience showed that its variations were close to those of M3, the broadest definition of the money supply. The Bundesbank's studies of the monetarist argument has shown that it is the variations of M3 that appear to have the closest connection with variations in *the economy*.

'Slacker' ship demand

BY GUY HAWTIN — FRANKFURT, Dec. 18.

WEST GERMANY'S shipbuilders are predicting a heavy fall-off in demand for vessels from 1977. To deal with the situation, they believe a 30 per cent. shrinkage in world shipbuilding capacity will be necessary.

Their gloomy predictions are based on the collapse of the tanker market, which, according to West German statistics, accounts for some two-thirds of world shipbuilding orders. Tanker orders are going to *decline heavily, they believe.*

A market study commissioned by the Verband Der Deutschen Schiffsbauindustries, the Federal Republic's shipbuilders' association, indicates that the world's tanker fleet will require a capacity totalling 265m. deadweight tonnes up until 1980. This figure was already reached in the middle of 1975, the association says.

GKN plans £100m. takeover in Germany

BY A. H. HERMANN

GUEST KEEN and Nettlefolds (GKN), the British engineering concern, is expected to announce within a few days the conclusion of a £100m. majority acquisition in Fichtel and Sachs, a leading West German supplier of motor car components with subsidiaries in Brazil, Canada and France.

The deal has to be approved by the European Commission and West Germany's Federal Cartel Office, but GKN is confident that the deal will pass both.

Both companies asked the Cartel Office yesterday to approve the takeover, and the Commission confirmed yesterday that it is investigating the deal. It would involve the acquisition by GKN of a 79.4 stake in F. and S. for a price believed to be about £100m.

The Cartel Office and the Commission both have the power to stop the deal, but it is the West German authority that is the more likely to take exception. Both companies face the legal presumption of market domination applied in West Germany to all companies with a market share greater than 33 per cent. F. and S. has this in the manufacture of gearboxes, while GKN reaches this share in the market for universal joints and propeller shafts through its West German subsidiary, Uni-Cardan.

The Cartel Office will announce within a month that it is opening an investigation and will then have a further three months to make a decision. The investigation will cover not only the two parties to the takeover, but also the West German motor industry, which will be asked for its opinion.

Though no other bidders for F. and S. are known at present, the investigation is likely to be rigorous, as the company is a household name in West Germany. Pointed questions why it should fall into British hands have been asked in the West German Press.

The matter is further complicated by the prospect that the sale to GKN will entirely escape West German taxes since the shares are deposited in Switzerland where the two Sachs brothers, Herr Ernst Wilhelm Sachs and Herr Gunter Sachs, who are selling them, have been residing for more than five years. They therefore meet a condition laid down in the double taxation agreement between West Germany and Switzerland.

The management of the Schweinfurt-based group is well regarded in West Germany. Last *year it reported a surplus of* £4.5m., expected to be reduced by about a third this year. About 60 per cent. of the group's turnover depends on the motor car industry and in view of the present state of this market the 70 per cent. utilisation of capacity claimed at present would not be a bad achievement.

Even so, the general assumption seems to be that F. and S. expects help from GKN with greater diversification in the form of know-how, investment funding, and marketing.

Herr Helmuth Spies, chairman of the Board, will retire because of age by the end of the year and will be replaced by Herr Walter Trux, who so far has been with IBM.

World turnover of F. and S. was £212m. in 1974—about one-fifth of GKN's. The principal members of the group in West Germany are Nurenberger Hercules Werke; Fella-Werke (making agricultural machinery); Stabilus, Coblenz, August Raibeneick, Bielefeld; Sachs-Systemtechnik, Schweinfurt; as well as three trading companies in Cologne, Munich and Wurzburg. Overseas subsidiaries include Amortes in Sao Paulo, Brazil, Sachs Motors, Montreal, and Sachs, Paris. The group employs about 17,000 workers.

While the investigation by the Cartel Office appears to carry graver implications, that by the *Commission could consume* more time. The Commission's prior authorisation is required under Article 66 of the European Coal and Steel Treaty and—in contrast with West Germany—there is no time limit within which the Commission must decide.

The two companies established contact with Commission's competition partment, which is now ex ing from them further info tion. The authority of the mission is established wher one of the *parties to a m* is engaged in the steel indu as GKN is. A Commi spokesman said that ne company was contesting Commission's competence in case.

However, the Commissio also scrutinising the deal in *light of the extensive inte* tation of Article 86 of the Treaty in the controversial tinental Can decision of European Court. Though requirement for a prior no tion or prior authorisation be claimed under this dec it would provide a legal *for subsequent objections* fines should the Commissio able to prove that by acqu the West German group increased its market domin in West Germany to the where all effective compet was eliminated. On the fa it that might be difficul prove.

GKN's first encounter wit Commission was on the occ of its takeover of Miles D The Commission approved takeover but the time it to arrive at a decision caused siderable anguish in the Ci London.

HOME NEWS

Japanese car men oppose voluntary curb

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

JAPANESE MOTOR industry leaders, in London for talks with British motor manufacturers, appear to be keeping firmly to their view that they cannot accept voluntary restriction on Japanese car sales in the U.K.

Led by Mr. Eiiji Toyoda, head of his country's largest car company, Toyota, the Japanses spent four hours in negotiations yesterday with a team from the Society of Motor Manufacturers and Traders, led by Sir William Batty, chairman of Ford.

The presence of Mr. Toyoda, who is also head of the Japan Automobile Manufacturers' Association, indicates the importance the Japanese attach to these talks, which have been heralded as an attempt by the British industry to get an agreement for voluntary restrictions on Japanese car exports to the U.K. and to improve access to the Japanese market for British cars.

Even before the Japanese team left Tokyo earlier this week, both Toyota and Nissan, the manufacturer of Datsun cars, were stressing that there was no possibility of their exercising voluntary restraint. This line seems to have been pursued at yesterday's meeting, described by a Japanese delegate as a simple "exchange of information."

Call for quality

On the question of improving access to Japan for British cars, the Japanese view is that the British companies should try to export more quality cars, and that to do so they must make a more positive effort.

Last night it appeared extremely unlikely that there would be a formal agreement for the two sides to announce when the talks break up to-day.

This leaves the British industry in an exposed position, following the Chancellor's announcement on Wednesday that there were to be no important controls on cars.

At present, although both Nissan and Toyota appear to be making an effort at restraint in the U.K., the smaller Japanese manufacturers—Mazda, Honda and Colt—are all expanding, and plan further developments next year.

The British industry also fears that there will be a big upsurge in Japanese sales in the New Year, when many cars being ordered from importers will be delivered, and when British Leyland cars will still be in short supply.

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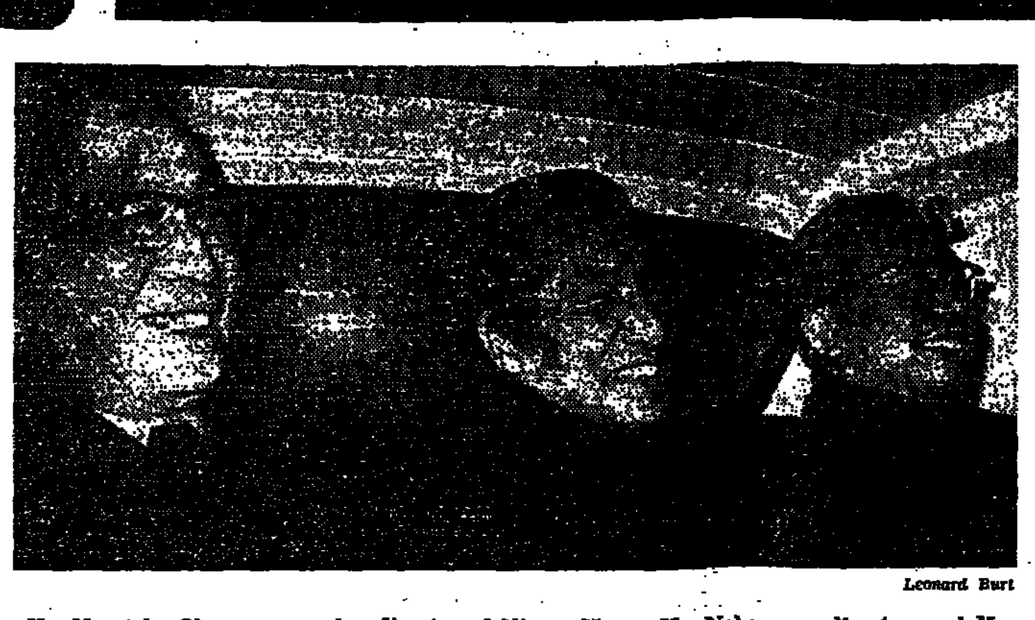


Leonard Burt

Mr. Masataka Okumu, managing director of Nissan Motor, Mr. Nakamura, director, and Mr. Eiji Toyoda, president of the Japanese Automobile Manufacturers' Association, in London

SE probes securities market

By Michael Lafferty, City Staff

THE STOCK Exchange Council has appointed a committee to study developments in U.K. markets for international securities.

The committee will be chaired by Mr. Peter Wills, a partner in stockbrokers, Shepherds and Chase. Its purpose is to collect information on an area where there are few facts available but which is directly relevant to the U.K. securities market. It is hoped that it will provide indications of trends which may affect the international securities markets in the future, and identify areas of mutual interest between member firms, overseas securities dealers and investors.

Among matters expected to receive attention are exchange control problems and the possibility of international membership, including reciprocity for members of overseas stock exchanges. The committee may also consider EEC proposals dealing with the freedom of establishment of securities dealers throughout member States.

(Member firms who wish to give evidence to the committee are asked to contact Mr. P. R. Allen (STX 8057) at the Stock Exchange.)

Machine-tool orders fall continues

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

A SHARP fall in new orders for the machine-tool industry in the June-to-August period this year is disclosed by the latest Department of Industry statistics.

These figures are a preview of what was to follow, and now the machine-tool manufacturers are deep in the worst recession they have experienced since before the war.

Not many companies are working at more than 60 per cent. of capacity, and some are down to only 30 per cent.

Short-time working is widespread in the industry, but companies are grimly hanging on to employees because they know from bitter experience that it is almost impossible to get them back when the next upturn in the demand cycle comes along.

Redundancies, therefore, have so far been relatively few. Outside the Alfred Herbert slimming operation, which is a special situation, Wickman, the John Brown subsidiary, has declared some redundancies among the staff at Coventry, and there have been others at Kearney and Trecker Marwin factory at Brighton.

The Department of Industry statistics, published to-day in Trade and Industry magazine, showed the industry with £230m. of orders outstanding at the end of August, estimated to represent on average about eight months' work in hand, though some manufacturers would have had fuller order books and others less work.

This is the kind of situation which led the mechanical engineering "Little Neddy" to say in its recent short-term trends report that "there could be a serious hiatus in orders in early 1976 until demand in the U.S. and other advanced industrial countries picks up later in 1976 and 1977."

The EDC noted that the bulk of the British Leyland re-equipment programme was likely to involve purchases of machine-tools from U.K. sources, but firm orders would probably not start coming through for some time.

Giving a taste of things to come, the combined level of orders outstanding in August this year had fallen by 6 per cent. on the levels of May, 1975, and by 15 per cent. on a year before.

Of total orders on hand £134.9m. were for the home market (down 5 per cent. in the three months) and £136.8m. for export (down 7 per cent.).

Weak investment

New orders of £78.8m. in the June-to-August period represented a 24 per cent. fall over the three months and a drop of 37 per cent. over a year.

Export new orders at £38.2m. were 28 per cent. down in the three months and 48 per cent. down on the high levels of a year before.

The Department of Industry comments: "This downward phase of the machine-tool cycle reflects the continuing weakness of industrial investment in this country and the slowness of economic recovery in our main overseas markets."

'Too many households are under-insured'

BY STEWART FLEMING

INCREASING concern in the insurance industry about rising claims and under-insurance by millions of their policyholders with household insurance is resulting in mounting pressure by the companies to encourage policyholders to increase their cover.

Already, Sun Alliance and London, the biggest insurer in the field, and General Accident have taken steps to encourage policyholders to raise their insurance. To-day, Provincial Insurance announces that it is beginning a campaign.

There are widespread suggestions in the industry that the once highly profitable home insurance business will barely break even and may produce losses for many companies during 1975.

The main problems are under-insurance—such as the man who insured his house for £2,000 five years ago and has not increased the cover subsequently in spite of the huge rise in building costs—and increasing claims. In this category, companies have noticed a higher incidence of subsidence damage to houses attributed to last summer's exceptionally dry weather and the drying-out of sub-soil.

The insurance companies are trying to secure increased premiums on household policies mainly by encouraging policyholders to increase their sums insured. The companies are reluctant, partly for competitive reasons, to change premium rates.

Sun Alliance is asking many policyholders to agree to a 50 per cent. across the board increase in the sums insured with no extra charge for about six months until they re-new their policies.

This approach has been criticised on the grounds that it has overtones of "inertia selling." The counter argument is that it has been cleared by the Office of Fair Trading and that the customer can refuse the proposed terms or negotiate over them.

The Provincial attempts to tackle the problem by giving policyholders guidance so that they can make an individual asessment of just how much assessment of just how much than try to impose an across the board blanket rise.

New move on nuclear safety

By David Fishlock

ONE OF Britain's main centres of expertise on nuclear safety is to apply its nuclear skills to a much wider range of major hazards.

Discussions are taking place between the U.K. Atomic Energy Authority and the Health and Safety Executive in an effort to formulate a joint programme on major hazards, to be funded between the two organisations.

The change explicitly recognises the need to look at hazards in their entirety, said a senior official of the executive last night.

With the retirement of Mr. E. C. (Bill) Williams, chief nuclear inspector, on December 31, the Health and Safety Executive is creating a new dual post of deputy director-general and director of nuclear safety.

The scientist appointed will advise both on major safety matters — including radiation risks—associated with the design and operation on nuclear installations, and on industrial hazards, toxic chemicals and pollution.

The post which has been advertised this week, is also expected to include responsibility for the executive's £5m. research and development programme.

Mr. Ronald Gausden, deputy chief nuclear inspector, is expected to become chief nuclear inspector reporting to the new deputy director-general. He will have responsibility for a team of about 150 professionals.

Dragon reactor tests end at cost of £20.7m.

BY DAVID FISHLOCK, SCIENCE EDITOR

TOTAL U.K. expenditure on the OECD Dragon nuclear experiment, to be abandoned after 12 years of operation, will amount to £20.7m. over the period 1959-1976, MPs were told yesterday.

In addition, the U.K. Atomic Energy Authority has provided a further £25.5m.—the whole of which has been recovered as income.

The facility at Winfrith in Dorset is expected to cost about £60,000 a year in short-term maintenance charges while arrangements for a more permanent restoration of the site are being worked out.

Dragon is an experimental high-temperature reactor—one of three designed and constructed in the 1960s. Its U.S. counterpart, called Peach Bottom, has already been shut down.

The Dragon experiment was designed for a peak output of about 20MW (thermal), at temperatures up to 750°C., but it generated no electricity. It has mainly been a test-bed for advanced nuclear fuel designs.

Its research programme ended on November 30 but Britain—which has been finding 48 per cent. of the cost—offered to continue to fund the project to the tune of a further £2m. if its partners gave a firm indication of interest, Mr. Wedgwood Benn, Secretary for Energy, told a Parliamentary Select Committee this week.

The offer was not taken up by either West Germany or the U.S., the partners with the strongest interest in the high-temperature type of reactor. Germany has its own experimental reactor of this type at Julich, and the U.S. is commissioning a 330 MW demonstration power station at Fort St. Vrain based on such a reactor.

Prospects for banks 'improving'

By Michael Blanden

INCREASING opportunities for sound expansion should be available to the banks within the next 12 months, Mr. Alex Dibbs, chief executive of National Westminster Bank, argues in the latest issue of the bank's house newspaper.

Writing in Bankground, Mr. Dibbs says that with some degree of confidence he foresees that within the year there should be a chance for the banks to spend more of their time in "constructive support of expansion in industry and of the needs of our personal customers who remain intensely important to us."

His comments appear at a time when, in spite of a slightly more encouraging trend in the past two months, the level of bank lending has remained depressed. The Chancellor of the Exchequer's economic package, though including some relaxations on hire purchase controls, has given little scope for further substantial growth of consumer lending.

The Bank of England has re-affirmed the guidelines on lending, favouring industry against the financial, property and personal sectors, and recognising the particular need for finance for industry to rebuild its heavily depleted stocks.

OBITUARY

Sir Stanley Morton

Sir Stanley Morton, chairman of the Abbey National Building Society, died yesterday after a short illness, aged 64.

A successful businessman and director of a number of companies, Sir Stanley rose to public prominence as chairman of the Building Societies Association in the years 1971-73. He emerged as an outstanding spokesman in relations with the Government and he played a major part in defining the role of the movement.

Sir Stanley spent a lifetime in the building society movement. Leaving school at 17, he joined the old National, which merged in 1944 with Abbey Road to form the Abbey National. During the war, he served in the RAF, reaching the rank of Wing Commander.

From assistant advances manager at Abbey he rose to become chairman in 1971 and was knighted two years later. For three years he served as chairman of the National House Builders Registration Council.

Sir Stanley's principal directorships included the Legal and General Assurance Society and the London Brick Company. He was a past president of the Chartered Institute of Secretaries and Administrators and president of the City Livery Company.

Sir Stanley Morton

Sea-dumping control call

CONTROL of waste dumping at sea should be passed to a United Nations body, representatives of nearly 100 countries were urged by Britain yesterday at the London conference to plan action following international agreement on the need for a crackdown on marine pollution.

One of the first tasks is to pick a secretariat to carry out the wishes of countries backing the convention.

Britain and Mexico, in a joint proposal, suggested that the secretariat's work should be given to the Inter-Governmental Maritime Consultative Organisation. They pointed out that the 20-year-old body, with 92 member countries, had expressed an interest in undertaking dumping controls and had already set up a permanent Marine Environment Protection Committee.

It was within the UN system. The conference set up a working committee to examine the plan.

U.K. ECONOMIC INDICATORS

General	Unit	1975 Nov.	1975 Oct.	1975 Sept.	1974 Nov.	1974 Oct.
Unfilled vac'n's‖	'000s	115.7	131.9	143.4	336.7	375.2
Unemployed¶ ...	'000s	1,168.9	1,165.3	1,249.1	621.5	612.6
Currency resrvs.	$bn.	5.606	5.710	5.859	7.824	7.547
Manfd. prods. d	1970=100	198.6	197.0	194.9	164.8	162.2
Bank advances b	£bn.	14,079	14,132	13,782	n.a.	n.a.
Basic mater'ls d	1970=100	255.8	251.6	243.2	223.8	220.1
Terms of trade	1970=100	81.2	81.5	82.3	76.4	75.6
Retail prices ...	Jan.'74=100	144.2	142.2	140.5	115.2	113.2
Wage rates	July'72=100	185.9	184.8	184.3	148.3	146.3
HP debt¶	£m.	2,261	2,257	2,247	2,294	2,294
Retl. sales val.**	1970=100	179.6	179.3	175.8	156.3	153.9
		Sept.	Aug.	July	Sept.	Aug.
Indust. output†*	1970=100	99.8	99.0	100.1	107.6	109.4

Trade and Industry		1975 Nov.	1975 Oct.	1975 Jan.-Nov.	1974 Nov.	1974 Jan.-Nov.
Imports f.o.b. ...	£bn.	1.927	1.962	1.810	1.896	1.725
Exports f.o.b. ...	£bn.	1.636	1.738	1.553	1.296	1.273
Visible trade balance	£bn.	−0.291	−0.224	−0.257	−0.600	−0.452
		Oct.	Sept.	Jan.-Oct.	Oct.	Jan.-Oct.
Cars*	'000s	97	108	105	123	126
Comm. vehicles*	'000s	31.6	32.3	32.7	35.2	32.3
Steel (weekly averages)* ...	'000 tonnes	397.9	353.7	388.1	457.8	432.9
Man-made fibres*	m. kgs.	55.11	46.33	46.71	50.71	54.97
Houses completed¶	'000s	29.0	28.3	25.4	25.0	25.0
Bricks*	millions	483	453	419	501	479
Cement (weekly average)*	'000 tonnes	353	331	331	351	348
TV sets‡‡	'000s	250	237	210	310	256
Radios, radiograms‡‡‖	'000s	423	372	384	381	436
		Sept.	Aug.	Jan.-Sept.	Sept.	Jan.-Sept.
Hosiery*	1970=100	104	81	89.7	102	101
Petroleum†	m. tonnes	5.96	5.01	6.53	6.74	7.34
Raw cotton (weekly av.) ...	'000s metric tonnes	1.72	2.28	2.04	2.17	2.30
Elec. cookers† f	'000s	93.6	59.9	76.1	79.4	68.2
Washg. mchns.f	'000s	84.5	51.2	83.2	94.6	74.8
		Aug.	July	Jan.-Aug.	Aug.	Jan.-Aug.
Furniture†** ...	1970=100	148	152	153	133	136
Enging. (orders on hand)** ...	1970=100	110	112	117.4	136	136.9
Raw wools§ ...	m. kilos	7.0	9.0	9.1	7.7	10.8
		July	June	Jan.-July	July	Jan.-July
Machine tools† .	£m.	22.0	21.3	21.00	22.6	16.79
		3rd qtr.	2nd qtr.	Year to date	3rd qtr.	Year
Motor trade turnover	1972=100	151	145	144	126	119
Consumer spending	£bn. 1970 values	8.840	8.913	26.041	8,925	35.607
		2nd qtr.	1st qtr.	Year to date	2nd qtr.	Year
Bldg. and civil engineering* e	£bn.	2.903	2.631	5.534	2.558	4.949

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. b From May, 1975, onwards new basis for calculation refers to advances to U.K. public and private sector. Historical figures on new basis not available. d Prices. f Including cooker griller toasters. e Value of output. ¶ United Kingdom not seasonally adjusted.

November unit trust sales rise £0.8m.

BY CHRISTOPHER HILL

THE OVERALL reaction to the relatively slight increase in unit trust sales last month from £27.1m. to £27.9m. is that the managers think that stability itself is a feature.

There is also the feeling that the trends in unit trust sales are now more closely related to movements in the stock market than was the case in previous years.

Last month, there was scarcely any movement in the All Share Index. Similarly, the value of repurchases was not dissimilar to October's figure at £13m. against £12.6m.

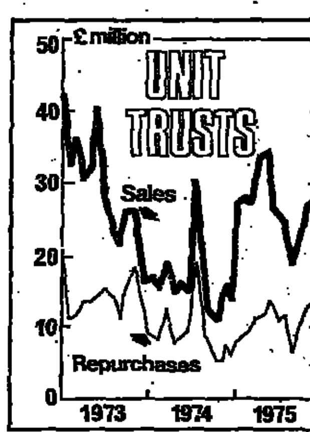
This leaves net new investment for November at £14.9m. compared with £14.5m. for the previous month.

Both these amounts are far ahead of the same period last year. The November total sales were only £15.2m., leaving net new investment of £7.1m.

Compared with the monthly average for unit trust sales, last month's gross figures were about the same, but at this stage in the year it is the cumulative figures which are creating the most interest.

The value of sales during the first 11 months of this year is £117m. ahead of the same period of 1974 at £298.5m. and is within striking distance of the 1973 total of £341.9m. Repurchases are also on a better footing, for whereas the 1975 total is only £15m. more than 1974 at £119m., it is £40m. less than in 1973.

This puts this year's overall net investment very much on the same basis as 1973 at £179.2m. compared with £182.2m., while last year's total is less than half at only £77m.



The value of funds under management shows the influence not only of the increase in the sales total but also of the rise in the U.K. market.

At the end of last month the total under management was £2.5bn., which is a slight improvement on £2.4bn. for October. Compared with the £1.33bn. level in November last year, the increase is very substantial. By contrast, the number of unitholders' accounts has remained relatively stable at about 2.2m.

Assuming that the same stability is evident this month—and this is what the stockmarket is indicating at the moment—it looks as if gross sales for this year will be less than the £357.9m. achieved in 1973 (last year being exceptionally low).

On the basis of current net sales, there is reason to believe that the net total for this year will be more than the £186.2m. achieved in 1973.

IN BRIEF

Car output drops by 19%

British car production last month dropped to 114,227 units, a 19 per cent. fall on the same month last year. Commercial vehicle production fell 21 per cent.—to 30,355 units.

Plant's last bike

The last motor cycle to be made by Norton Villiers Triumph at the Small Heath, Birmingham, factory came off the line yesterday. With further redundancies fewer than 300 of the original 1,400 employees are left to do sub-contract engineering work.

Museum feels pinch

The world economic recession has reduced the number of foreign users of the British Library but postal demand from overseas for books has increased by 30 per cent., says the British Library Board in its second annual report. Nevertheless, the staff is anxious that a new building should be provided, "economic climate permitting."

VW depot planned

VW (G.B.), the Volkswagen distributorship recently taken over by Lonrho, is to build an £800,000 depot at Grimsby. Completion is expected in 1977.

HOME NEWS

More say on spending for BBC Scotland

By Chris Baur, Scottish Correspondent

BBC SCOTLAND, under its new regional controller, Mr. Alastair Hetherington, former editor of the Guardian, is to be given more autonomy in determining expenditure priorities as well as in expanding and improving its *local and U.K. network services.*

Mr. Hetherington said in Glasgow yesterday that the region would move in the next few years from a position where it had virtually no financial autonomy to one in which it would be directly responsible for *allocating £7m.-£9m.* a year—about half its present programme and capital expenditure budget.

"*Within* the limits of scarce resources, BBC Scotland is now *free* to go its own way," he said, outlining the region's main objectives for the next five or six years.

'Worse off'

Steps would be taken to improve radio and TV transmitter cover for Scotland, which was "worse off than any other part of the U.K."

Three new 625-line transmitters were planned in 1976, and probably 15 further relay stations, with additional development of VHF radio and UHF transmission facilities.

The Scottish contribution to U.K. network—described by Mr. Hetherington as "absurdly small"—is to be increased. Of 10,000 programmes made in the last two years and accepted by the networks, only 71 came from *Scotland, whose share should* have been nearer 1,000.

Concorde ban 'might provoke union action'

By Michael Donne, Aerospace Correspondent

FEARS THAT British and French trades unions would take reprisals against the Port of New York if it were to prevent Concorde from landing at Kennedy Airport, are expressed by Mr. Robert Adley, MP, in a letter to Mr. William Coleman, U.S. Secretary for Transportation.

Mr. Adley, a long-time Concorde supporter, says that trades unionists might resent any banning of Concorde by the U.S.

While the U.S. Government has not yet taken any decision on the aircraft, Mr. Adley says: "It would be hard to reject the view that if *New* York takes political action against Concorde, it lays itself open to reprisals.

"If exports by sea or air from the Port of New York were to be blacked by British and French trades unionists, I do not believe New York could complain.

Slow reduction in consumers' steel stocks

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

STOCKS OF steel held by consumers and stockholders are coming down from the very high levels recorded early this year, but the rate of the decline suggests it *will be well into 1976* before they are down to reasonable levels.

According to Department of *Industry statistics* issued yesterday, stocks at the end of September stood at 5.53m. tonnes. This represents about 19.3 weeks of consumption by industry.

In more normal times stocks would be equivalent to 10 to 12 weeks of consumption. At that level production could get back *to the 550 tonnes a week which* puts the industry on a profitable footing.

During each of the last four quarters aggregate stock levels have fallen; the end-September 1975 total is 7 per cent. below that of 12 months previously.

The largest decreases were for mechanical *engineering* (down from 1.05m. to 0.93m. tonnes), electrical engineering (0.19m tonnes to 0.13m. tonnes), motors (0.47m. to 0.40m. tonnes) and hollow-ware (0.19m. to 0.14m. tonnes). This shows how these industries have been cutting stocks to the minimum in the *face of the recession.*

Wire manufacturers and electrical engineering have reduced stocks to eight weeks' consump*tion*, while *hollow-ware makers* have cut their's to seven weeks.

Increase

Of the 5.53m. tonnes of steel in stock at the end of September, 0.89m. tonnes were held by stockholders.

The statistics reflect a small increase in aggregate steel consumption—up 0.6 per cent. from 3.68m. to 3.71m. tonnes—over the previous quarter.

More steel was consumed by the railway industry, electrical and mechanical engineering, hollow-ware and wire manufacturers, but decreases in consumption were recorded by shipbuilding, construction and the motor industries.

Aerospace council proposed by Tory

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ABANDONMENT of the Government's nationalisation plans for the aerospace industry, and the creation instead of a top-level National Aerospace Development Council to determine the *industry's overall strategy is pro*posed by Mr. Geoffrey Pattie, Conservative MP for Chertsey and Walton.

He suggests that the aims of such a council would be to consider what percentage of the Gross National Product should be devoted to the industry and then, having arrived at *that* figure, to establish how it should be divided between research, development and production.

Mr. Pattie, writing in a new Bow Group pamphlet on the future for the aerospace industry, says the NADC would develop policies designed to encourage and support the different sections of the industry—airframes, engines and equipment—and pay special attention to marketing *forecasts and opportunities for* overseas sales.

Scrutiny

*He envisages the NADC draw*ing up an "aerospace policy plan" to be presented to Parliament by the Secretary for Industry, who would be the chairman of the council. It would be a ten-year "rolling plan," with a major review every five years, so that it could be fully *scrutinised* and debated at least once in the life of any Parliament.

The other members of the NADC could be the Secretaries for Defence and Trade, together with the Chief Secretary to the Treasury, leaders of trades unions, chairmen of the aerospace companies and the Civil Aviation Authority and the Society of British Aerospace *Companies.* It would also include the Leader of the Opposition.

The funding of the policies drawn up by the NADC, and approved by Parliament, would be undertaken by the Government through the DoI, and the NADC itself would only have enough money to run its own *secretariat.*

Mr. Pattie feels that this scheme—which is similar to those already found in some other countries, where regular aerospace and/or defence development plans are formulated every five years or so (as in France and Sweden)—would go a long way towards eliminating some of the aerospace industry's problems without resorting to nationalisation.

"Is There A Future For The British Aerospace Industry," by Geoffrey Pattie, MP (The Bow Group), 40p.

Wilson in one-day Ulster trip

By Giles Merritt

BELFAST, Dec. 18.

MR. HAROLD WILSON paid a whirlwind pre-Christmas visit to the troops in Ulster to-day, but carefully avoided making any statement on Northern Ireland's uncertain political future.

His meetings were almost exclusively with the security forces. During his unannounced trip he visited two regimental *units in Londonderry* and at Ballykinlar, outside Belfast, the Queen's Lancashire Regiment, which has ties with his Huyton *constituency,* and a *unit of* the part-time Ulster Defence Regiment.

With the Government not due to state its reactions to the majority report by the Northern Ireland Convention rejecting power-sharing until January 12, it came as no surprise that the Prime Minister refused all contact with reporters here. Officials stressed that his aim was to pay tribute to the difficult security duties carried out by the troops and the Royal Ulster Constabulary. To comment on the political situation here would have diluted that.

On his two previous trips to Ulster since February 1974 Mr. Wilson came specifically to talk politics. In April last year he pledged his support for the power-sharing executive, and in March this year he came to announce the date of the Convention election and to meet local politicians.

Mr. Wilson is, however, understood to have reviewed the security situation at a Stormont House lunch given by Mr. Merlyn Rees, Northern Ireland Secretary, and attended mainly by senior police and Army officers, notably Lt.-Gen. Sir David House, the GOC, and Sir Jamie Flanagan, RUC Chief Constable.

A second surprise visitor to Belfast to-day was Dr. Garret Fitzgerald, the Irish Foreign *Minister.* He attended a private lunch meeting and is understood to have met political leaders later from both the Protestant and Catholic communities.

FT CLIPPER RACE

Italians' cash SOS answered

By Alec Beilby

SYDNEY, Dec. 18.

FEARS that CS e RB II might be unable to join Sunday's start of the FT Clipper Race's second leg ended yesterday. Mr. David Diehl, a member of the Royal Ocean Racing Club, sent £1,250 from London to enable the Italian yacht to buy an emergency radio and to service her life raft.

Meanwhile, the British continued defending the Southern Cross Cup made an impressive start in the opening 30 mile inshore race of the series.

But they were unable to hold the edge over the local New South Wales crews or the New Zealanders, whose lightweight yacht Prospect of Ponsonby took *handicap honours by a mere 12* seconds from Ron Amey's Noryema, the best of the British team and the only crew sailing their own yacht.

The other two British-sailed yachts, Apollo III and Meltimi, have been chartered here by Arthur Slater and Chris Dunning, respectively.

Noryema was certainly best at the start, even leading the mighty American yacht Kialoa and Australian Jack Rooklyn's Ballyhoo, but it was the Swan 44 Superstar, sailed for Britain by Alan Graham and Dave Johnson in the Southern Cross series two years ago and then sold to her Melbourne owner, which was giving the British crew most trouble.

The Southern Cross limitations of between 21.5 feet and 70 feet rating enable one tonners to battle with the giants of the world ocean racing circuit.

To-day, therefore, the American one tonner Pied Piper and New Zealand's Prospect of Ponsonby provided a handicap threat to Kialoa, windward Passage, the American ketch racing for South Australia, and Ballyhoo, representing Queensland.

Income tax cut suggested in Manx economic survey

FINANCIAL TIMES REPORTER

A SUGGESTION that Manx income tax should be reduced *from 21.25 per cent.* to *20 per* cent. is made in an economic survey of the Isle of Man.

It is also proposed that the Manx Government should finance an experimental "reduced duty" shop at Ronaldsway airport, develop a "national debt" policy with special emphasis on the provision of Treasury bills for purchase by local financial companies, and improve air services to Manchester and London.

The *survey was commissioned* by the Manx Government and has been prepared by PA International economic studies division. It updates a survey prepared by PA in 1970, and makes several suggestions for economic planning.

Over five years

These are likely to form the basis of ideas to be implemented by the Manx Government over the next five years.

If the population, estimated at 60,000, reaches the forecast 67,000 by 1981, an extra 4,000 jobs will be required, it is suggested. Of these, the manufacturing sector will have to provide 800.

The survey proposes that support for new manufacturing *schemes should be increased* further, and that greater emphasis should be put on generating employment.

This *suggests* a *change of* policy, because recently the Manx Government has been encouraging only capital intensive industries with high value added products.

The consultants feel that there is still a case for the Manx Government to take statutory *powers to influence or control* immigration, particularly with regard to "preventative bottleneck situations in housing, which can hamper the growth of productive activities on the island."

It was found that, although the growth of productivity in Manx exceeded the U.K.'s, the level of productivity is considerably lower than in the U.K.

Regarding tourism, it is suggested, in spite of a successful holiday season in 1975, that "the character of accommodation provided on the island will not match the requirements of the British holiday market to-day.

"Tourism," the report says, "is likely to be of declining importance in the overall economy." One of the recommendations is that a language centre *be established on the island* to attract foreign visitors.

Bank prospects

Prospects for growth in the banking sector are considered less bright than they have been over the past few years. However, *the survey estimates* that at June 30, the total held in deposit and current account exceeded £184m. Only £42m. of this is estimated to be held by branches of the London clearing banks.

The report emphasises that some of its findings are dependent on the island's continued ability to expand its economy at the rate achieved over the last ten years.

LABOUR NEWS

Civil servants accept cost-of-living deal

BY LORELIES OLSLAGER, LABOUR STAFF

AGREEMENT has been reached in the long-drawn out wrangle between the Government and Civil Service unions over increases in the cost-of-living *allowances for some 142,000* London-based civil servants. This could open the way for settlements for a large number of *other* public sector workers.

The Civil Service agreement, expected to be announced within the next few days, represents major concessions by the unions on the actual London weighting figures involved, while the Government agreed to drop a number of controversial conditions.

Increases in the London allowances are not to be offset against the £6-a-week limit because they *were due to be paid before the* limit came into force at the end of the summer.

Under the agreement, civil servants employed in Inner London will have their allowances raised from £410 a year at present to £465 backdated to July 1. In outer London, the *allowance* will be increased from £260 to £275.

The Government initially had offered £472 for inner London and nothing for outer London, where, it said, the allowance was already much above the level justified by recommendations prepared by the now defunct Pay Board *last year.* But it has agreed to redistribute the total increase it was prepared to offer to make some money available *for outer London.*

The unions initially had asked for a £96 increase for inner London and £52 for outer London.

The negotiations on figures were complicated by the fact that the Government also wanted to phase out London allowances from the calculation of overtime pay and to stop paying the full amount to people transferred to other places.

It was over these conditions that the Civil Service Union, representing the lowest paid grades, threatened industrial *action at one stage.*

Pleased

When the Government gave the *first indications that it* was prepared to drop the strings in this round of bargaining, the CSU and other unions were so pleased that they pressed for the reversal of an earlier decision to take the question of London allowances to arbitration and for continued negotiations for a settlement.

A negotiated settlement finally became possible last week when the executive of the biggest union involved, the Civil and Public Services Association, decided to drop the demand for arbitration. Only one union, the Society of Civil Servants, held out for a negotiated deal but was outvoted.

Apart from the Government's concession on the two controversial conditions, the unions were in the end also influenced by the consideration that their public image would not be helped by a stand-up row with the Government over pay when Civil Servants are coming under increasing attack for being generally *overpaid and underworked.*

The Government's tough stand on pay, on the other hand, was no doubt in influenced by the consideration that the Civil Service will largely set the trend for other public sector settlements.

Local authorities, for example, *had been alarmed at the effects* of a generous Civil Service settlement.

At least one public sector group, members of the Electrical Power Engineers Association, who had decided to seek arbitration on their London weighting claim, are now expected to reconsider *their attitude* in the light of the Civil Service unions' decision.

McGarvey rejects ships job

SPECULATION as to where Mr. Dan McGarvey, the Boilermakers Amalgamation president, would fit into the new National Shipbuilding Corporation was ended last night by himself.

He said that he had been offered the chance of being chairman of the corporation, but had offered the chance of being chairman of the corporation, but turned it down. His main reason was that he could not have with him as chief executive Mr. Tom McIver, managing director of the Swan Hunter group.

After it was announced this week that Admiral Sir Anthony Griffin had been appointed chairman of the organising committee and Mr. Graham Day as a deputy chairman and chief executive, there had been speculation that Mr. McGarvey would get the *post of second deputy chairman.*

Mr. McGarvey said: "I had to put the record straight.

"As managing director of the biggest shipbuilding group in Europe, Mr. McIver has considerable experience and I thought he would have made a good chief executive."

Newspaper talks plea

THE NATIONAL Union of Journalists yesterday called on three other Fleet Street unions to join talks with national newspaper proprietors on the industry's economic and technical problems.

The call was aimed at the National Graphical Association, the Amalgamated Union of En*gineering Workers and SLADE* (representing the process workers), which have withdrawn from the negotiations.

Building workers leave talks without offer

BY CHRISTIAN TYLER, LABOUR STAFF

BUILDING unions who have claimed a £6-a-week pay rise "forthwith" were sent away empty-handed after pay talks yesterday.

Employers of nearly 1m. construction workers refused to make any offer or name any date on which further increases on their basic rates would be paid.

The opening round of the building and civil engineering wage negotiations came a few hours after the repetition of a warning that unemployment in the building industry would *reach 250,000 in the next few* months.

Employers are quoting the recession as an argument why basic rates cannot be raised by anything like the £6 demanded by the unions.

At the same time, they have rebutted the unions' claim that an award could be made now without breaching the Government's pay policy.

Neither side is anxious to take the issue to the Department of Employment, but Mr. George Smith, general secretary of the *biggest* building union, the Union of Construction, Allied Trades and Technicians, accused the employers of "stalling."

Basic rates in the industry were last raised in June, but the unions say that the first stage of the last agreement paid in January is the "principal settlement," allowing them a £6 increase under the 12-month rule from next month.

The employers say that the existing agreement does not expire until June, the anniversary of the last actual pay rise.

To support their argument, the unions quoted the case of the Hull dockers who had an interim £5.95 a week in April and were still able to win the full £6 from next month—although *this is* three months after the anniversary of their "principal" settlement date of October.

Equal pay move speeded

PROGRESS TOWARDS equal pay, which becomes mandatory at the end of this month, has *been speeded by both sides of* industry during the past three months when 35 discriminatory agreements have been revised.

This leaves only five agreements running the risk of breaching the Equal Pay Act when it comes fully into force on December 29, according to Government information given in the House of Commons yesterday.

The Government is not releasing names of four of the companies or industries involved in these agreements in the hope that they will still fall into line. They are not believed to involve large groups of workers.

The fifth involves Scottish bakers and is now being examined by the Industrial Arbitration Board which will also be asked by the Government to look into other problem cases which are outstanding next month.

Meanwhile, the Government is preparing celebrations to mark the introduction of equal pay with a reception in the Banqueting Hall, Whitehall, London, with Mr. Michael Foot, Employment Secretary, and his wife as host on January 5, the first pay day for industry after the equal pay deadline.

Ferrybridge policy 'ruthless'

EXISTING EMPLOYEES had the right not to join a closed shop if they disagreed with a trade union negotiating a closed shop, Mr. Alan Pardoe, counsel for the so-called Ferrybridge Six, claimed yesterday.

The men, members of the tiny Electricity Supply Union, had been the subject of "ruthless behaviour" by the CEGB, said Mr. Pardoe in his final sub*mission to the Leeds industrial* tribunal hearing their claim against the Central Electricity Generating Board for unfair dismissal.

From 1972 until last year the law differed, but, after the Conservatives' Industrial Relations Act was repealed, the men's contract of employment was not amended.

When the CEGB began to *press members of the ESU to* join the recognised unions of the industry's national joint industrial council, Mr. William Sarvent, the ESU general secretary, who is one of the six men appealing against dismissal, did not believe it would eventually lead to dismissal.

"*Not everyone can take in the* ruthless behaviour, for—whatever the basic courtesies, and they were not all that evident—the administration of the closed shop agreement in the NIJC agreement at Ferrybridge was actually ruthless," said Mr. Pardoe.

A closed shop could be introduced only with full consent in a plant, otherwise it could not be a closed shop.

Mr. George Smailes, the tribunal chairman, asked Mr. Pardoe: "Are you saying that all the employees now in the industry where closed shops are being negotiated need not join and have the right to stay in their *employment?*"

Mr. Pardoe: "Yes. And that was the case before 1969 for CEGB employees who were not union members then and have had no need to become members since."

The hearing continues to-day.

Linwood car men seek fewer Job cuts

By Our Labour Correspondent

A MASS MEETING *of workers* Chrysler's Linwood plant Scotland voted yesterday to reje the 3,000 redundancies threaten under the Government's resc plans for the company's U. operations. They also agreed be represented at key talks the rescue scheme to be held Coventry to-day.

Twenty shop stewards w travel from Linwood to Coventr where representatives from U.K. plants will meet the seni management, led by Mr. D. Lander, managing director, a Mr. Gilbert Hunt, chairman.

A union request that Mr. Jo Riccardo, chairman of Chrysl Corporation, should attend t meeting was turned dov although Mr. Gwain Gillesp head of Chrysler's Europe operations, may be able to atte

SLIM HOPES

After hearing from mana ment the *precise* details of t salvage operation, national uni officials and stewards expected to seek to negoti some reduction in the 3,(planned redundancies.

Their chances, however, app slim as the Government already made it clear to unions that it feels it has got t best deal possible in the circ stances, a view shared by TUC.

Yesterday's Linwood meet also backed the shop stewar suggestion that the plant's 6, workers should report for w on January 5. About 90 per ce *of the workforce stop work* night for the Christmas and N Year holidays and have not b told yet when to return.

Curb sough on foreign companies

By Roy Rogers, Labour Correspondent

THE GOVERNMENT was ur yesterday to draw up enforceable code of practice prevent foreign-controlled mu *nationals from taking m* decisions affecting U.K. work without adequate consultatio

The call, from MPs and uni representing Vauxhall Mot and Chrysler workers in Luton area, came just a day a the TUC general council had that it "deplored" the Chry Corporation's "anti-so behaviour" in presenting ultimatum to the British Gov ment.

It was made at a meeting Mr. Gerald Kaufman, Minist State at the Department Industry, when MPs from Lu Dunstable and Ellesmere and Vauxhall union offi aired their fears of the po wielded by multinationals employment prospects.

Unions at Vauxhall's h town of Luton feel particu vulnerable to the policy sions of multinationals bec the area *is dominated by fo* General Motors (Vauxh Chrysler, Electrolux and Sk Bearings.

A *document* drawn up the Amalgamated Union of E neering Workers, the Vauxhall union, which already been sent to the M ter, says that much of Vauxh poor performance can be buted to the relatively s influence local management on *corporate decisions.* was reflected in the low of investment, which has al ceased.

Stray cats strike ends

THE STRAY cats strike at land's Triumph car factor Speke, Liverpool, has ende

The 21 workers in the shop who stopped work on day because of smell and m *their workshop caused by* cats, are returning to-day. 600 other workers who wer off will go back with them.

The management and stewards are to discuss the claim for pay lost when held a 50-minute unautho meeting.

FINANCIAL TIMES SURVEY

Friday December 19 1975

TURKEY

Turkey is an ancient crossroads of East and West, and this is as strongly evident to-day as ever. A major military component of NATO's eastern flank, the country has nevertheless some pressing problems of social and political development.

Lacking a clear policy

By Dominick Coyle

MUSTAFA Kemal Ataturk, the Father of modern Turkey, had all the pretentiousness of a dictator, which indeed he was. *Folklore has it that* shortly before he died in 1938 at the age of 57, he confided to a friend that if he lived for another 15 years, he would bring democracy to Turkey: otherwise, it could take three generations. Perhaps he was also a pessimist, for democracy *to-day has a firm root in Turkey* (and most of the credit for this should go indeed to Ataturk), although this is not always appreciated by people who judge Turkey from afar, judgments which are often coloured *with prejudices on the grounds* of cruelty, even barbarism, ignorance, *religious* and nationalistic fanaticism. But a caveat, however unnecessary in view of the situation in many much more developed countries, should be added straightaway to the effect that democracy is not synonymous with *political* stability, and certainly the poli*tical scene in Turkey to-day is* uncertain, to say the least.

The present Government of Mr. Suleyman Demirel is a four-party coalition which, when it came to office last March, could just about claim legitimacy in that its components, on the basis of the 1973 election represented 50.3 per cent. of the popular vote. That election *had in fact produced a different* immediate outcome in the *form of a two-party coalition of* Mr. Bulent Ecevit's Republican Peoples Party (RPP) and the much smaller and fiercely nationalistic (and pro-Islamic) National Salvation Party (NSP) led by the colourful and extremely vocal Mr. Necmettin Erbakan.

But Mr. Ecevits' Government resigned abruptly in September, 1974, shortly after the Turkish invasion of Cyprus, in the wake of *the Greek junta-inspired* coup attempt against the Greek Cypriot *President. Archbishop* Makarios. Mr. Ecevit's action then in authorising the invasion, or at least in responding promptly to pressure from the Turkish military, who saw in the coup attempt a bid to annex *the whole of Cyprus to Greece*, brought down on him the kind of national adoration normally reserved for Ataturk and his memory. Thus his ploy in resigning was to capitalise on his nationwide popularity by *forcing new elections*, convinced that his RPP would emerge *with a clear mandate to form a* Government free from the vagaries of Mr. Erbakan's Salvationists.

Coalition

It was not to be. Following a six-month Government crisis —*in which the administration* was, for all practical purposes, mainly in the hands of bureaucrats, a situation which, incidentally, killed all possibility of a speedy resolution of the Cyprus crisis—Mr. Demirel managed to put together his own coalition, but he too needed *the NSP. Mr. Ecevit shifted to* Opposition, and there he still *waits for new elections* scheduled for 1977, or earlier of course if the present coalition should collapse—and no one in Turkey is laying any bets.

Thus Mr. Demirel, leader of the generally right-of-centre Justice Party (JP), had returned to *office just four* years after being forced out of the premiership by the Turkish military *in a bloodless* coup following widespread student unrest, a degree of politically-motivated terrorism, plain gangsterism and a rapidly deteriorating economic *situation*. That the military *have not moved against Mr. Demirel's* return while also in the interval since the 1971 coup seeing their own candidate *for the presidency, Chief of the General Staff* Faruk Gurler, rejected by the politicians, speaks well of the army's increasing respect for the ballot box.

The contemporary political scene, therefore, is one in which Prime Minister Demirel is seeking to preserve his delicate coalition until 1977, a precarious balancing act in view of the presence in government of the enigmatic Mr. Erbakan, *while Mr. Ecevit is content to* remain on the sidelines where he radiates all the assurances of a politician convinced that the Turkish electorate is only waiting for the chance to hand to him the reins of power.

Mid-term elections in October, albeit for only 10 per cent. of the combined General Assembly and Senate seats, have tended *to confirm this process of in*creasing polarisation between the two main parties. The RPP pushed its share of the vote from 33 to almost 44 per cent., while the JP's total rose from under 30 in the last general election to more than 41 per cent. *Mr. Erbakan's Salvation*ists, whose brand of Islamic chauvinism first erupted on the electoral scene only two years ago to win some 12 per cent. *of* the popular vote in what is *constitutionally* a secular State, lost one-quarter of its backing in October, yet they are far from being a spent force just now or anything less of a thorn in Mr. Demirel's side. For the record, the other splinter parties in a country where political fragmentation has frequently *complicated the process of gov*ernment-forming after successive elections, together shared no more than 6 per cent. of the vote last October, against one-quarter in the 1973 elections.

Demands

Mr. Erbakan's immediate response to his electoral setback has been to increase his demands within the Demirel coalition. He wants no territorial *concessions* in Cyprus as part of any nego*tiated settlement there*, is demanding that diplomatic relations be severed with Israel and that the Palestine Liberation Organisation be permitted to open a bureau in Ankara. He is calling for closer ties—in deeds and not in words only—with *Islamic States, for more religi*ous schools, more places in the civil service for NSP supporters and State-sector investment to *be directed selectively to areas* of the country where the Erbakan cult is strongest.

Not surprisingly, Mr. Demirel *considers these demands un*acceptable, but he still needs NSP votes in the Assembly. Decision making in Cabinet is thus a slow process of compromise, and indeed what is surprising is that anything gets settled at all. The leaders of the three parties supporting the JP are deputy *prime ministers, thus adding to* the Demirel-Erbakan mix. The others are the moderate and intellectual Professor Turhan Feyzioglu, whose Republican Reliance Party is a breakaway from the RPP (he and Mr. Ecevit entered politics the same year in 1957 and remain close personal friends) and former army colonel Alparslan Turkes, *with his neo-Fascist National* Action Party which, as a matter of interest, rejects a programme of birth control until the population of Turkey equals that of the USSR!

This, incidentally, is more than a piece of nonsense information when it is realised that Turkey has one of the highest *population growth rates in the* world, and reducing the birth rate from its present roughly 2.5 per cent. towards the Euro*pean average of one per cent.* is one of the most major long*term socio-economic tasks fac*ing the country. Turkey's population was under 14m. in 1937: it had reached 28m. by 1960, is currently in excess of 40m. and, on present trends, could be some 70m. by the turn of the century.

More immediately pressing economic problems, including an acute balance of payments situation, are dealt with else*where in this review, and* Turkey clearly has an urgent *need for major structural, social* and economic reforms, for greatly increased industrialisation to absorb the vast shifts in population from rural to urban areas, and for improved agriculture, not least in the matter of yields which, while better of late, are still way below Euro*pean standards.*

The country is aiming at full membership of the EEC by 1992 (and is politically sensitive that Greece might get there first), but Mr. Ecevit's RPP in particular insists that only a strong government with a clear mandate and the security of at least four full *years in office can have the will to lay the framework for turn*ing Turkey into a really modern industrial nation. The RPP leadership accuses the present Government of favouring the private sector of the economy *while being frozen into inacti*vity in the public sector, because of internal Cabinet dissension and Mr. Demirel's determination to remain in office and to avoid an early general election at all costs.

The response, increasingly, is that the RPP is an out-and-out socialist party (no outcast in European political terms but something which still generates much suspicion in Turkey, particularly in rural areas), with a small but dedicated communist fringe, although all critics of *the party hasten to add that Mr.* Ecevit himself is an honest and patriotic Turk free of any *such* taint.

Political shorthand in Turkey has thus given rise to the quip that "Ecevit means anarchy in the capital markets and Demirel anarchy on the streets." *In fact, the streets* have been relatively quiet of late, although *still hardly a* week goes by without a clash between Right-wing and Left-wing students, and there have been a number of deaths. The Communist Party—there are, in fact, two, one Moscow, one Peking—is proscribed. But there are daily incitements to *riot from external broadcasting* services, one said by the Government to be operating out of East Germany.

Other Government sources speak of infiltration from neighbouring Syria, and any return to the level of politically-motivated violence witnessed in 1970 and early the following year would *be just the stuff to encourage* elements of the army to come out from barracks. However, it should be said that there are no present signs of such a development, and the main political parties have earlier *this month repeated publicly* their determination to protect democracy and uphold the constitution.

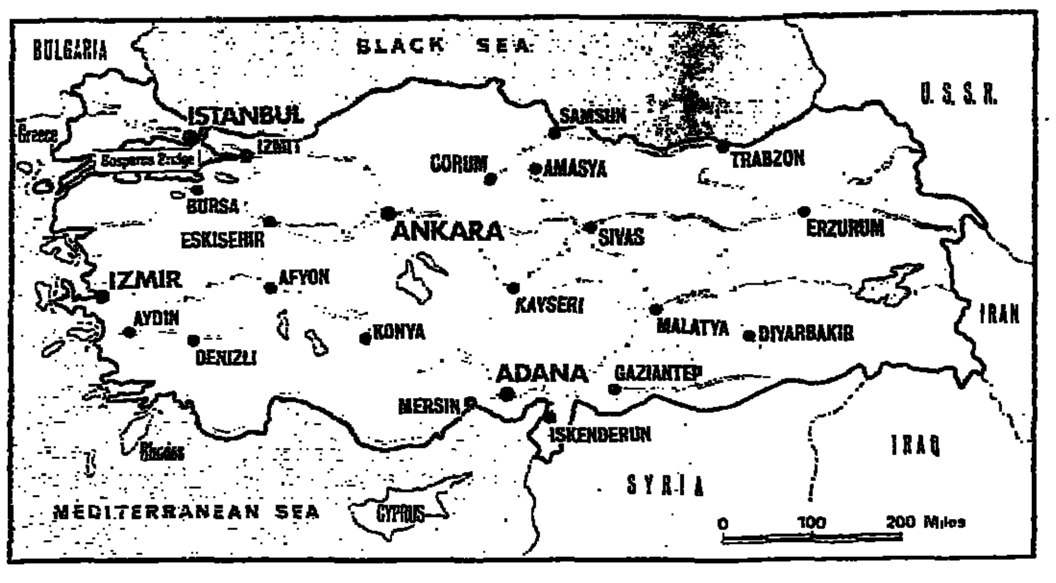
Pressing

If foreign policy questions *have been left until last in this* article, this is certainly not intended to downgrade the urgent importance of a number of pressing issues—difficult relations with Greece over Cyprus and the Aegean, the dispute with the *U.S. over its Turkish bases* now effectively closed down pending *a new defence co-operation* agreement, Turkey's own detente with the Soviet Union and its search for new and improved diplomatic and commercial relations with the Arab world and with a number of the emerging African countries.

These issues are covered else*where in this survey, and it is* only necessary here to under*line one fundamental point.* It is important for ally and adversary alike to understand that all political parties, and the vast majority of the Turkish people, support generally the present Government's main foreign policy objectives: Mr. Ecevit and his party insist that *there is no lack of opposition* support, but claim that what is *missing are clearly defined* policies from the Government.

Two closely related issues dominate Turkey's foreign policy—relations with Greece, particularly the Cyprus question, and defence negotiations with the U.S. Mutual suspicion still mars links with Athens and the Turks are holding out for a better deal with Washington.

Cyprus the key issue



THE MAIN, but by no means the sole, priority of Turkish foreign policy at this time is concerned with two closely related questions — bilateral relations with Greece, of which the Cyprus issue is currently at the core, although there are other important areas of potential conflict between the two countries, and negotiations on a new defence agreement with the U.S. to replace the 1969 pact which, at least as seen in Ankara, was terminated unilaterally with the U.S. arms embargo on Turkey.

The embargo decision by Congress, as a delayed response to last year's Turkish invasion of Cyprus and the continued *presence there of some 35,000 of* her troops, has since been partially lifted, but no political party in Turkey is particularly grateful for a decision which merely *permits* Turkey to take delivery of $150m. worth of American arms and equipment for which she had long since paid. And, of course, Ankara has demonstrated that an embargo can operate in two ways, with the result that 26 important U.S. military installations throughout the country remain closed and under "Turkish army control and observation" until such time as a new bilateral defence co-operation agreement is signed. Meanwhile, no one in Ankara is suggesting that the negotiations will be easy, or concluded speedily, and indeed the Turkish government fears that the whole Cyprus question could yet get caught up in U.S. electioneering, thus perhaps resulting in the talks being dragged out for the whole of next year.

Since Cyprus is the key issue in all of this, it is as well to turn to it first. The Turkish Government, and indeed the opposition Republican People's Party (RPP), *start from a position* which, at least as presented in Ankara, is starkly simple. It is that Turkey sent a "peace force" to Cyprus last year to *prevent the then ruling junta* in Athens from bringing about the union of Cyprus with Greece, and thus not only threatening the lives of *Turkish-Cypriots but, even more* importantly, endangering the security of Turkey itself *through complete Greek control* of an island only some 40 miles off its southern coast. That plan has been frustrated, to *say nothing of the "bonus" for* the mainland Greeks who secured a return to democracy as a direct result, and Turkey is now only too ready to help in negotiating a new Cyprus settlement which would permit most, if not quite all, of its military forces to return home.

Reality

But negotiations must, according to both the Government and the RPP, be based on an "acceptance of reality," and *in this case, they claim, the* reality is that the 1959 Cyprus independence settlement has broken down, that events since then have demonstrated that *Greek and Turkish-Cypriots* cannot live at peace together so arrangements must be concluded to have them live side by side in a new bizonal federa*tion, or some similar arrange*ment. Once Greece and the Greek-Cypriots accept that "fact," Turkey will enter enthusiastically into meaningful *negotiations on a Cyprus settle*ment without pre-conditions, although in fact, of course, dictating in advance a bizonal element in any ultimate solu*tion is, in fact, a vital pre*condition. However, Turkish officials who admit to this in *private are inclined to add that* "facts are facts, like it or not."

Another fact is that Cyprus is now effectively partitioned; on Ankara estimates, there are only 127 Turkish-Cypriots still in the Greek-Cypriot controlled part of the island, while the close on 40 per cent. of the territory under Turkish control —operationally it is for all intents and purposes a separate statelet—has just over 8,000 Greek Cypriots and some foreigners, mainly British, at two locations—at Bellapais, near Kyrenia, and along the Karpas peninsula. If the Athens Government and Archbishop Makarios, representing the Greek-Cypriot community, would only accept this reality, a settlement could be speedily concluded, and Turkey acknowledges that this would inevitably *involve territorial* concessions in the area her army now controls.

Following discussions in Brussels last week-end between the *Turkish and Greek foreign* ministers, the peace talks are to be resumed in Cyprus under the aegis of the United Nations Secretary General, but it is *evident that Turkey or the* Turkish-Cypriot leadership on the island will respond to no international pressure (or U.S. arms embargo, full or partial) *to accept a Cyprus solution* not based on a bizonal or similar principle. In this the *Demirel* government is supported fully by the RPP and, more important still, by Turkish military leadership. Land area is negotiable, as are the powers of a central Government in Nicosia, but not the concept of bizonalism in a loose federation or even perhaps, a confederation.

An equally tough—Ankara would say realistic—approach is being adopted in negotiations for a new defence agreement with the U.S. The Turkish Gov*ernment wants any new arrange*ment to be copper-bottomed and not subject to the whims of U.S. Congressional opinion or the influence of "other parties," *a slighting reference to the so*-called Greek lobby in Washington. Ankara is almost certain to insist that any new bilateral agreement is endorsed directly *by Congress, as happened* recently with the provisions of the Sinai disengagement agreement at the insistence of the Israelis, and that it should pro*vide a firm schedule covering a* number of years of specific American arms and equipment purchases for the Turkish armed forces. Further, any new *agreement covering the U.S.* bases in Turkey is unlikely to leave the Americans in exclusive control: Ankara, for its part, would now certainly pre*fer these installations to come* under NATO as against di[rect] U.S. command.

Turkey's position on many these issues may appear intr[an]sigent, yet it is as well remember that the Governm[ent] and the vast majority of people are committed firmly democracy, to NATO and Ataturk's determination to m[ake] Turkey a European country. Cyprus issue is partly a secu[rity] question, partly emotional: the case of the present disag[ree]ment with Washington, ther[e] a mood in Turkey of genuine disillusionment. "W[hy]" asked one senior official, "sh[ould] the U.S. be selling arms to m[ore] than 90 countries, inclu[ding] Communist Yugoslavia, threatening to withhold t[hem] from a NATO country an[d] good ally?"

In any event, of co[urse] modern Turkey is beginnin[g to] flex its foreign policy mus[cles]. The traditional fear of Soviet Union, its great neighbour, is still there, bu[t no] longer is it the primary d[eter]minant of foreign and def[ence] policy. Washington, too [is] quietly being told that Tu[rkey] can no longer be taken [for] granted, while Ankara is looking to the present re[alities] of Arab world power an[d] seeking to improve rela[tions] there, not least with a vie[w to] economic considera[tions]. Economic, trade and m[ilitary] assistance deals have been [con]cluded with such countri[es as] Iran, Libya, Pakistan, K[uwait] and other Persian Gulf S[tates] and also with the USSR. further negotiations are i[n the] pipeline.

Friends

Yet above all, there is Gr[eece] and increasingly in A[nkara] there is the realisation these two countries are [com]mitted to be friends, wh[atever] the immediate diffic[ulties] between them. Real susp[icions] do remain, perhaps even so on the Greek side, no[t] because of the Cyprus inv[asion] but as of now Turkish fo[reign] policy appeared directed [to an] effort to resolve all que[stions] through negotiations.

Foreign Minister Cagla[yangil] *is advocating the establis[hment]* of bilateral committees levels, supplemented by r[egular] meetings of foreign min[isters] and, when necessary, of *ministers, to study and r[esolve]* all questions of conflict be[tween] Turkey and Greece, incl[uding] territorial disputes in Aegean (and the asso[ciated] *question of exploration ri[ghts]* the dispute over Aegea[n air] space, the so called "min[ority] problem" and the "il[legal]" Greek military installatio[ns on] *the islands off the Turkish* line.

This profession of mode[ration] has, of course, a differen[t ring] in Athens, and both cou[ntries] are now spending much of their annual budge[t on] defence than is justified by ordinary national se[curity] considerations or, indee[d, the] urgent need for investm[ent in] their underdeveloped econ[omies]. The intenions of each t[owards] the other are honourabl[e, but] a lot of old suspicions m[ust be] put to rest. It will take [time] and Turkey's excursio[n into] Cyprus, whatever its le[gal] propriety under the tri[partite] treaty of guarantee, ha[s not] helped.

Dominick C

This year's trade deficit will be around $3.2bn., well up on last year. Dearer oil and bigger imports of certain essentials have boosted the import bill, while industrial exports are down as the world recession has taken its toll, and world prices for the cotton crop are lower.

Heavy import bill

ALTHOUGH EXPORTS have picked up well during the past few months, it is clear that Turkey's foreign trade deficit for 1975 will be of the order of $3.20bn., or $1bn. more than that for 1974. Indeed, the *year's deficit will be roughly* the same as the volume of total foreign trade in 1973. The trade returns for the first ten months of the year show exports at $1.098bn., 12 per cent. down on the same period of 1974, and imports at $3.89bn., up by 36 per cent. The trading deficit of $2.792bn. was 75 per cent. greater than that for the January-October period of last year.

The heavily increased bill for imports largely resulted from ever more expensive oil, from bigger imports of iron and steel and of a variety of other essentials, including edible oils and fats: there has been no let-up in the restrictions and prohibitions on imports of so called "non-essentials." Expenditure on capital equipment increased by about one third, but the rise would have been much more had political conditions been more conducive to private sector investment—and had, too, the State sector not lacked the lira finance to implement its investment programme in full.

Exports of manufactured and processed goods during the first eight months of the year fell by nearly 20 per cent, compared with the same period of 1974 but have since done rather better: particular difficulties were, of course, encountered over textile and yarn exports and a sudden demand from the home market resulted in cement sales falling well below expectations. Exports of the 1974 cotton crop, for which producers had received prices far above world market rates, did not begin to move until the late spring: it is still not clear how much the Treasury has had to disburse to ensure shipments at competitive prices. Cotton exports in the first eight months of 1975 totalled 157,000 *tons, valued at $129m.: in the* same period of 1974, the same tonnage was shipped for $222m.

In addition to a round of adjustments of the rates of export drawbacks (of the taxes and charges element of f.o.b. prices) on manufactured and processed goods, exports have been assisted to some extent by the generally easier export regulations introduced for the 1975/76 season. For most commodities, exporters no longer have to obtain approval of f.o.b. prices before making firm contracts, and more room has been left for the negotiation of payment terms to suit market conditions. The present Government, anyway, appears to have *at last appreciated that restric*tions and "red tape" have for years past meant the loss of a vast volume of export sales.

Reserves

At the beginning of 1975, gold and foreign exchange reserves amounted to $1.61bn., a figure which fell to $1.26bn. mid-November and will probably not have increased to any important extent by the end of the year. But the present reserves include some $950m. in convertible currency deposits from banking and other sources and the bulk of these fall due for repayment—or renewal—about half-way through 1976. Gold reserves amount to some $140m., so it will be seen that Turkey will enter the new year with few uncommitted currency reserves, despite the fact that some $300m. has been obtained in SDRs during 1975. In the immediate future, anyway, it seems unlikely that the volume of convertible deposits will grow to any important extent, and in some circles it is thought that not a few present *depositors will withdraw their funds* when present contracts mature.

With a projected aid "pipeline" of World Bank, EIB, and country-to-country credits totalling well over $600m., many important development schemes can be proceeded with without difficulty as regards imported plant and equipment. But it seems inevitable that further re*strictions will be placed on all* other imports—even though these are already reduced to "essentials" only. With the likelihood of a net balance of

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Sharp contrasts of wealth and poverty, of industrial progress and rural stagnation, mark Turkish society. Economic development, though fostered by a succession of development plans, still lacks the dynamism needed for overall progress.

The economy

BASIC STATISTICS	
AREA	296,500 square miles
POPULATION	40.3m.
GNP (1975)	$35.9bn.*
GNP per capita	$893*
Growth rate (1975)	7.4 per cent.*
Foreign exchange reserves	$1.26bn.
CURRENCY	
£1 = 30.75 lira	

* *Official Government projections.*

TRADE (1974)	
Imports	$3.7bn.
Exports	$1.5bn.
Imports from U.K.	£104.6m.
Exports to U.K.	£35.2m.
TRADE (1975)	
Imports (to end October)	$3.89bn.
Exports (to end October)	$1.098bn.
Imports from U.K. (to September)	£102.9m.
Exports to U.K. (to September)	£23m.

THE TURKISH economy just now is not in good shape, certainly if it is judged on conventional European criteria, but then the impression persists that this is still only partly a European country, *and it does* remain vastly underdeveloped. In terms of visible wealth, the centres of the large urban concentrations, Istanbul, Ankara *and Adana for example*, show much industrial progress and generally good living: the shanty townlets on the peripheries of these cities tell a different story, while poverty is also real and widespread in *much of the rest of* the country. Turkey may well have more than its fair share of millionaires (with their expensive houses and often more expensive yachts along the southern Mediterranean resorts), *but it has its masses* of underprivileged too, and the need for income redistribution remains something most politicians advocate but as yet have done precious little to bring about.

Deficit

But to return more directly to the state of the Turkish economy at the end of 1975. The country has a serious trade deficit and an even more worrying payments position when measured against free reserves —discounting the volatile convertible *currency deposits—of* about $300m., or perhaps just a little less. Put more starkly, these reserves are good to cover under one month's imports at current levels. Official projections indicate a trade deficit next year of $3bn., or the same as the probable 1975 outturn on total external merchandise trade this year of only $6bn.

Inflationary pressures persist in the economy (wages this year *are higher* by between 25 and 45 per cent.) over 1974, and consumer prices are still rising at an annual rate of more than 20 per cent.), but there has been some improvement in recent months, particularly a sharp *reduction in the rate of whole*sale price rises. Unemployment is currently running at some 12 per cent. of the workforce, on the basis of official figures, but the number is very much higher in fact, especially if account is taken of serious under-employment in the farming sector. *What is* more, no one is suggesting that the unemployment rate will be reduced over the *next* decade let alone the next 12 months, mainly, of course, because of the high population growth—among the world's highest. The official target of 300,000 new job openings each year *is hardly suffi*cient to absorb new entrants to the labour market between now and 1990. Meanwhile, Turkey urgently needs more schools, hospitals, highways, houses, better sanitation and water sup*plies and an expedited* programme of rural electrification.

A gloomy picture indeeed, yet if much remains to be achieved *to bring about the industrialisa*tion and the "welfare state" envisaged in the Turkish constitution and needed to realise fully the dreams of Ataturk, much has already been accomplished. Under the impetus of the first and second development plans, the Turkish economy in *the decade to 1973 experienced* an average annual growth rate of marginally under the projected target of 7 per cent. Adjusting for a year on year population growth of 2.7 per cent. Turkey's per capita growth rate *in that period was* 4.3 per cent. or just half a percentage point below the OECD average. Not a bad performance, although of course the starting point was very low.

The third five-year development plan (1973-78) has set somewhat more ambitious targets for overall growth, and the planners, like those in other and much more developed countries, had no crystal ball in which to foresee the energy crisis. This has hit *Turkey hard, both directly in* the higher cost of oil imports—domestic energy resources, including petroleum, are very far short of requirements—and in the associated rise in import prices for raw materials, machinery and equipment generally. At the other extreme, *as it were, the world recession* (but also some higher domestic consumption) has damaged Turkey's export performance in its main markets, West Germany, the U.S. and Britain. This year, for instance, the value of exports *will have declined by roughly* one tenth, while the import bill will be some 40 per cent. above the level in 1974.

The recession has also hit—but, fortunately, not too drastically—the country's main bulwark against a massive and recurring balance of payments *crisis, namely Turkish workers'* remittances from abroad, principally from West Germany. These will still amount to well over $1bn. this year (in fact about equal to total earnings from direct exports), and an early economic upturn in Europe generally, but again *particularly in West Germany*, should mean that the Ankara Government's worst fears of a sharp and immediate cutback in earnings on invisibles account will not now be realised. However, it does appear prudent to assume that the rapid increase in the total of workers' remittances over the past decade may not be maintained in the years immediately ahead.

Nonetheless, the payments *position remains the Govern*ment's most pressing economic problem, although Mr. Demirel has hinted strongly that his Government is prepared to borrow its way out of "temporary" difficulties and *envisages little problem in so* doing. (Most Turks assume that their country's new relations with the Arab world will bring a fair quota of recycled petrodollars.) Scheduled loan repayments over the next 12 months are low at roughly $150m. or little *more, with perhaps a further* $100m. in interest charges, but the payments situation could very well be critical by this time next year, depending on the extent of the import bill in 1976, the quality and yields of next year's harvest and the attitude adopted (to internal *political developments as much* as anything else) by the holders of those now crucial convertible lira accounts.

This year's harvest, fortunately, has been very good, and Turkey will have no need for cereal imports: indeed, it has a potential $300m. or so in *foreign exchange earnings* through surplus wheat stocks, and while these are not being sold off for the time being, a different situation may well emerge by May or early June next year if the signs then point to another good harvest.

Iron and steel stocks, too, are now relatively high, thanks largely to excessive imports in the last 12-18 months, and a running down of these supplies *next year*, together with somewhat higher domestic steel production, should at least contain the overall increase in the country's import bill in 1976. There *are also likely to be some* further import curbs, although the Government's room to manoeuvre in this area is limited, not merely because of existing bilateral commitments (including Turkey's EEC association), *but because restrictions are* rigid, especially on non essentials, in effect consumer goods.

Programme

Yet while the Government re*mains* concerned in the short term, it is by no means pessimistic for the future. Mr Demirel insists that "no one should think Turkey is drowning or near collapse economically," and in Ankara last week he unveiled an *ambitious programme* of economic development which, he said, would double the country's electricity generation, by 1982, increase iron and steel production from 3 to 12m. tons, coal output from 11 to 33m. tons and cement from 15m. to 25m. tons.

State sector investment next year, according to budget pro*jections, will amount to some* $2.5bn. in a total 1976 budget of just over $10bn., and already industry has joined agriculture in making an equal (25 per cent each) contribution to GNP, whereas the respective percentage contributions in *1963* were 17 and 41. Yet in considering the *$2.5bn.* allocated to State sector spending next year, it is interesting to note that the 1976 defence allocation has been set provisionally at $3bn., an increase of some 66 per cent. Whatever chances the Govern*ment may take with the man*agement of the economy, the Turkish military is obviously ensuring that none is taken with the security of the State.

Dominick Coyle

Import bill

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payments deficit of something like $100m. per month more restrictions seem likely even if the OECD aid consortium is prepared to reintroduce pro*gramme (current account)* aid and/or Turkey is able to raise a substantial Euro-currency medium-term loan: $1bn. has been mentioned in this latter context.

The import lists and regula*tions* for 1976, due to be published on January 4, are likely to make unpleasant reading for both importers and foreign exporters to Turkey. Import deposits on "free list" imports —such imports account for *about* 60 per cent. of the *total* to-day—will most likely be raised from the present 10 or 20 per cent. (depending on the item concerned): it is to be remembered that during the *latter* part of the 1968/70 currency *shortage, deposit rates for some* items were of as much as 150 per cent. (of cif values). It is by no means impossible that a system of priorities will be introduced in so far as imports of industrial raw materials, parts and *components are concerned:* industries with export commitments or real export potential would certainly be granted overriding concessions. Likewise, it would seem logical for a further screening of new invest*ment projects involving imports* of capital equipment, with a view to giving precedence to those which have export or import - substitution potential. *Entrepreneurs could also find it* easier than in the past to obtain authority to negotiate machinery imports against short and medium term credit facilities from abroad.

With generally good export crops this year, the 1975/76 export season as a whole should certainly be far more *satisfac*tory than the previous one: the *upturn* in the German economy, in particular, should mean that workers' remittances will soon begin to improve again. But in the meantime, anyway, an acute *shortage of foreign exchange* appears to be inevitable. However, it is not anticipated that there will be a repetition of the long payment delays of the 1968/70 period. Rather, import licences will be issued even *more sparingly than usual, and* issued only to the extent that true resources permit. In the face of this situation, it is to be expected that Turkish exporters will renew their efforts to find new markets for their products and that the *import market will* once again tend to put price before quality.

By a Correspondent

TURKEY'S FOREIGN TRADE (in $USm.)

	1973	1974	Jan.-August 1974	Jan.-August 1975
EXPORTS:				
EEC countries	612	717	492	339
U.S.	131	144	93	92
Switzerland	116	94	70	55
Other OECD countries	90	126	78	85
TOTAL OECD	949	1,081	733	571
Bi-lateral *trading* Agreement countries	104	146	98	87
All other countries	265	305	208	200
Total	1,318	1,532	1,039	858
IMPORTS:				
EEC countries	1,155	1,708	1,022	1.573
U.S.	185	350	228	317
Switzerland	125	206	112	186
Other OECD countries	173	420	260	329
TOTAL OECD	1,638	2,684	1,622	2,405
Bi-lateral trading Agreement countries	175	188	91	93
All other countries	286	906	507	700
Total	2,099	3.778	2,220	3,198
EXPORTS:				
Agricultural produce, including livestock	858	906	593	465
Mineral ores	19	39	43	66
Manufactured and processed goods	441	587	403	327
Total	1,318	1,532	1,039	858
IMPORTS:				
Machinery and parts	634	811	501	827
Petroleum and products	221	762	399	505
Iron and steel	247	531	306	503
Transport equipment and parts	213	246	184	206
Chemicals, dyestuffs, etc.	191	280	166	300
Rubber and plastics	71	135	74	101
Textile materials	53	105	53	79
Fertilisers	132	101	39	43
All other imports	337	807	498	632
Total	2,099	3,776	2,220	3,198

It has been a disappointing year for industry with development remaining consistently below target. Exports have also declined. The Government is now aiming at promoting projects in heavy industry, with 26 due for implementation in 1976.

Industrial development

UNLIKE THE agriculture sector, industry performed disappointingly this year, development remaining both under last year's and this year's target. The State Planning Organisation estimates that overall growth in the industrial sector in 1975 will be around 7.6 per cent. compared with a targeted development of 11.2 per cent. and 9.1 per cent. actual development in 1974. Although from the point of view of planners this is obviously a setback, the fact should not be forgotten that this performance is considerably better than the growth of manufacturing output in most other OECD countries this year.

Exports of industrial products also declined: in the January-September period industrial exports were $367m., about 18 per cent. less than in the comparative period last year. The proportion of industrial products in total exports dropped from about 40 per cent. to 37 per cent.

According to provisional estimates last July, the industry sector is expected to contribute Lira 46.4bn. ($3.1bn.) to the national income in 1975 in producers' values at 1968 prices. At current prices contribution is Lira 120bn. of which manufacturing accounts for Lira 105.3bn., mining Lire 7.6bn. and electricity, gas and water works for Lire 7.1bn. These constitute an increase of 30 per cent. over last year.

Projects

Prime Minister, Mr. Suleyman Demirel, said that 26 new heavy industry projects will enter the implementation period in 1976. These include heavy construction machinery (graders, *excavators and loaders*), heavy equipment (factory equipment), diesel and gasoline engines, gears and transmission assembly, machine tools, hydro and steam turbines, steam boilers, transformers, equipment for transmission lines, the *electronics industry, shipyards* and the aircraft industry, and four iron and steel industry projects.

Four public corporations, Tumosan, Taksan, Temsan and Tusas have already been constituted and the State Investment and Labour Bank established with the intention of undertaking and financing these projects.

Tumosan, capitalised at L100m. ($6.6m.), will manufacture diesel and gasoline powered engines and gear and transmission mechanism for a variety of vehicles including lorries, heavy duty vehicles, locomotives tractors and motorcars.

Temsan will mass produce *high powered transformers*, steam boilers and turbo-generators, and electromechanical equipment. This is also capitalised at $6.6m. as is Taksan which will produce heavy machine tools. Tusas will manufacture 200 jet *fighter planes for the requirements of the Turkish Air Force.*

Testas, which is yet to be gazetted, will manufacture electronic equipment and will also have capital of $6.6m.

In order to strengthen the balance of payments position and to *reinforce foreign* exchange reserves, the Government took several steps to encourage the inflow of capital into Turkey this year. State economic enterprises have been encouraged, within certain limitations, to borrow up to $500m. on the Eurodollar market in 1975. Turkish banks have also been permitted access to this market and the inflow of foreign exchange into the banking system from the so-called convertible lira accounts have reached about $930m. by December.

With most of these being channelled into industrial investments in the private sector, the squeeze on liquidity in this sector has been considerably relieved.

Foreign investment is welcome both by law and by Government policy provided it fits into certain criteria: foreign investment must contribute positively to economic development; it must not displace established Turkish industries; it must introduce new technology; it must not entail a monopoly and it must be export-oriented. Direct foreign capital inflows, which gained momentum in the 1950s and 1960s, however, have slowed down in the past few years.

Investors say that they lose interest or are discouraged by red tape and lengthy formalities including a large number of Government agencies which do not always fully co-operate. Foreign experts say that with these out of the way and greater *encouragement it would be possible* to attract new foreign capital investments which could provide know how, marketing experience and capital to develop exporting industries. They say foreign capital and expertise could promote, among other fields, tourism, minerals and forestry which are not adequately exploited at the moment.

Production

Turkey's crude oil production in the first nine months of this year declined by 7.1 per cent. compared with the same period last year to 2.3m. tonnes. Under a third of this total was produced by the State-owned Turkish Petroleum Company (TPAO) and the rest by Shell—the biggest producers—Mobil, Dorchester and Ersan.

British Petroleum, which up to now were only engaged in refining and marketing of crude, started drilling for oil this year but there has been no official reports of any discoveries.

Year-end output is expect to be in the vicinity of 3 tons, last year's output. T will force Turkey to be heav dependent on imports fr Libya, Iraq and Saudi Ara and put aside more than h of total foreign earnings *crude oil purchases.*

A pipeline is being built transport 35m. tonnes of Ir crude 98 kilometres fr Kirkuk to the Turk Mediterranean coast. The p ject, scheduled to be comple in November next year. *been undertaken by Mann*mann of West Germany will cost $400m. Turkey buy 40 per cent. of the throu put, thus obtaining a ste supply and will charge I $150m. in annual transpo tion fees.

Metin Mu

Ankara Correspond

Agriculture has maintained its predominance in the economy but its growth in output has not been matched by a similar increase in exports.

Agriculture

THE AGRICULTURE sector, which depends on the kindness of weather, experienced an excellent harvest in 1975 recording an estimated 8.9 per cent. growth rate against a programmed growth target of 3.7 *per cent. The sector maintained* its predominance in the economy but the growth in output was not matched with a similar increase in exports. On the contrary, due to a general disparity in domestic and world prices and a decline in demand for Turkish commodities, particularly in cotton, agricultural exports in the January-August period this year recorded a more than 20 per cent. decline over last year.

Most basic commodities, with the exception of cotton and sunflower seeds, recorded increases in comparison with 1974 and a remarkable growth was noted in wheat and cereals, tobacco, sugar beet and hazelnuts. If cereals production is good in the 1975-1976 season, Turkey is expected to sell some wheat and some barley, now stocked as a cushion for a possible bad year.

Wheat

Wheat production reached 14.7m. tonnes, over 35 per cent. *more than last year's output*, which the State Planning Organisation estimates to be the biggest harvest in the country's history. Barley was 4.3m. tonnes (33 per cent. more than last year), Tobacco 210,000 tonnes (10 per cent. more), and grapes 3.5m. tonnes (12 per cent. more).

Citrus fruits production was 500,000 tonnes (of which a record 135,000 tonnes are expected to be exported), lentils 210,000 tonnes, olives 700,000 tonnes and tea 205,000 tonnes. Sunflower seeds output dropped by 22 per cent. to 350,000 tonnes.

There was also a significant drop in the output of cotton, Turkey's single biggest export commodity, which experienced a bad export year. Production dropped by over 20 *per cent.* compared with 1974 to 483,000 tonnes.

According to provisional estimates, in 1975 agriculture maintained its position as the Turkish economy's biggest sector growing by 22.9 per cent. *in producers' values at current* prices to contribute about 140bn. Turkish lira (just under $10bn.) to the national income.

This good performance, however, was not reflected in exports, agriculture and livestock exports in the January-August *period dropped by 21.5 per cent.* to $393m. compared with last year.

This decline was mainly due to the drop in the international prices of cotton resulting from the slump in the textile industry, although exporting the

Cotton arriving at a ginning factory near Denizli.

same amount in the first eight months of this year (157,000 tonnes) Turkey earned $129m. from cotton compared with $222m. in the same period last year.

The disparity between foreign and domestic prices of cotton has narrowed somewhat since the beginning of this year when it was beginning to give rise to widespread fears of a devaluation. This partly reflects the continuing firming of international prices of cotton and partly the Turkish Government's decision not to raise domestic prices of cotton this year. Domestic prices of other agricultural commodities were also kept low with resultant good effects in exports. Year-end figures of agricultural export commodities are expected to show an improving trend compared to the first eight months' figures.

Recession has also occurred in the export of other major export commodities like tobacco and hazelnuts. Tobacco exports in the January-August period dropped by 27 per cent., compared with last year to $130m. and Hazelnut exports by 35 per cent. to $88m. The trend is similar in many other items, exceptions being dried figs and grapes.

Turkey began cultivating opium last year after a two-year ban on farming ordered under American Government pressure. However, farming has been limited to just over 100,000 farmers in seven provinces (out of 67). The Government banned the traditional extraction method of lancing by the farmer in the field in order to prevent narcotics smuggling. This year's output of about 10,000 tonnes of opium poppy capsules are being exported for chemical extraction of narcotics for medical use abroad.

But the construction of a $30m. alkaloids factory has been tendered to a German firm and is expected to enter operation in 1977. The capacity will be 20,000 tonnes of capsules, three-quarters of which will be exported. The acreage grown with opium in 1976 is expected to be more than double this year's.

According to last year's figures agriculture accounted for more than 55 per cent. of total exports and employs over 60 per cent. of the population of 40m. Despite this, the sector is beset with many structural problems which show little signs of abating—fragmentation, little use of machinery and fertilisers and lack of intensity. Agricultural investments have consistently lagged behind programmed targets since 1963 and there is no indication that the trend is changing. There is a danger that output may lag behind the high birth-rate and Turkey become an importer of sizeable importance. An indication that this is on the way is the import of animal and vegetable fats and oils which grew from just over 2,000 tonnes last year to about 90,000 tonnes this year.

Metin Munir

Cotton scene

Turkey has been able to increase its production of cotton both to feed rising export levels and expanding domestic demand. After the 1973-4 price boom demand has slackened.

THE NEGLECT of cotton in so many appraisals of the world commodity scene has long been the subject of wry humour among those responsible for its production and marketing. Despite the strong ecological argument for its preference to the man-made fibres, and its recent emergence in the forefront of fashion, cotton appears to have found a permanent place among the "declining industries" of many Western commentators. Recollect any recent report of the current efforts of UNCTAD to achieve more remunerative prices for the primary commodities. What mention was there of cotton? The 1974 plenary meeting of the International Cotton Advisory Committee, admittedly a refugee from political difficulties elsewhere, came to London, where the Government takes some pride in its espousal of the primary producers' cause. The inaugural niceties were pleasantly performed by a British parliamentary secretary. I watched in the company of the leader of a delegation from one of the largest developing nations. "In our country," he remarked with some surprise, "this would be done by the President!"

Cotton is in fact much the largest of the agricultural industrial raw materials, its production and processing into textiles being the mainstay of many major economies in Africa, Asia and Latin America. Its increasing importance is nowhere more striking than in Turkey. As the accompanying statistics demonstrate, she has succeeded in increasing her production sufficiently both to maintain a rising level of fibre exports and to supply a rapidly expanding domestic industry which is committed to capturing a large share of the European textile markets.

Areas

Turkey's cotton growing areas are concentrated around the ports of Izmir, in the Aegean costal area, which has for some time been harvesting about 200,000 metric tons per year, and around Adana, the region bordering upon Syria. Lesser areas exist in Antalya and in the south east.

Izmir has a long tradition of trading with the major European markets, and as the existing centre for business in dried fruit and nuts took naturally to cotton marketing as production increased after World War II. That was a period in which the spread of cotton production around the globe was given great impetus by Washington's adherence to high purchase prices and the strict curtailment of acreage in the support of her domestic cotton values: the foreign producer had only to assure himself that he could grow profitably at just below the published U.S. support price, to be certain of finding lucrative outlets for his crop. As the irrigation schemes in Turkey and elsewhere expanded to take advantage of this opportunity, so the U.S. acreage, inevitably, contracted.

Military

By the sixties Izmir had exploited most of its best cotton land, and one began to hear of the new Mexican wheat varieties as challengers for the acreage. The situation was much different around Adana, where a less-sophisticated agricultural and business community were just tasting the first fruits of profit from cotton. And there, too, the pace of development owed much to assistance, though of a more intentional kind, from the U.S. For Adana was a U.S. military base of the first magnitude, and U.S. finance was instrumental in creating impressive port facilities at Mersin, an excellent road system, and a steady expansion of the irrigation facilities. Extension of those facilities revealed that cotton was an ideal crop for many thousands of acres of almost virgin land. If it was American help that brought the irrigation, it was the inate skill of the local people that improved yields per acre, perfected the seed strains of the cottons planted, and developed a local marketing system which entrusted much of the farmers' produce to a union of co-operatives, but left sufficient in the hands of the private sector to ensure that a healthy degree of competition persisted between the two. A visitor to Adana little more than ten years ago would liken it (informed as much by his nostrils as by his eyes) to a medieval, horse-powered community. It is to-day a remarkably developed modern town, at the centre of a region which becomes annually more familiar to the Western European. Cotton has been the principal instrument of this change, and by 1973-74 the region's production had reached 320,000 tons, almost 50 per cent. more than that of Izmir.

RAW COTTON
(000 tonnes)

	Production	Consumption	Exports
1955-56	157	100	31
1960-61	173	108	59
1965-66	325	141	200
1970-71	400	180	245
1971-72	525	184	335
1972-73	543	206	324
1973-74	513	249	218
1974-75	597	230	141
1975-76 (estimate)	468	260	300

Such progress had not, of course, been achieved without difficulties. The cotton farmer has become rich, and in many cases immensely so, during the expansion process, and in an unstable democracy has become a voting factor of prime attraction to an administration seeking re-election. As earlier in the U.S., the Government has therefore tended towards generosity in the establishment of cotton support prices, and to reliance upon flexible exchange rates, export incentives or a benign providence to attend to the liquidation of the resulting stocks.

Fully to understand the current situation, one has perhaps to look back to 1973-74, a season in which the international commodity boom brought most southern farmers prices beyond their wildest dreams. It was human nature to hope for similar prices and to plant a record acreage for 1974-75, and human nature too to previal upon the Government to set support prices which appeared outstandingly optimistic in the light of the deepening world recession.

Support to prices is given by the simple expedient of granting cheap credit to the co-operative unions, and imposing upon those bodies the obligation to buy a farmer's output at the level stipulated. Harvesting of the crops begins in September.

As the weight of the 1974-75 crop began to move into the markets last autumn, it became apparent that no foreign buyer would contemplate purchases at the prevailing level of Government support. The private Turkish trader was keenly aware of this situation and in consequence also held aloof. The private "gins" (factories in which the fibre is separated from its seeds) were hurriedly rented to the co-operatives, in the correct belief that the latter would be handling a huge proportion of the crop. Moreover, as the world recession worsened, the domestic textile industry too became a victim, and in consequence began to consume substantially less cotton than had been expected.

The international trade has frequently been critical of Ankara for failure to react in time to a changing world situation. The decision to set high support prices was a case in point; yet having taken that decision, the authorities behaved with exemplary coolness, even at a time when their preoccupation with Cyprus, a heavy drain on their resources of credit, might have clouded their judgment. They accepted the view that any sacrifice of price would have done nothing to revive either foreign or domestic demand during a period in which spinners were selling exceptionally little yarn; they doubtless saw too that any price concession might have made matters even worse by engendering further competition from rival producing countries who were in a similar predicament. The co-operatives were therefore encouraged to retain the purchased cotton, presumably given suitable assurances as to finance, and business came virtually to a standstill as Ankara awaited an improvement in world demand.

Reduction

As in most other cotton producing countries, the price depression of 1974-75 augured a reduction of cotton acreage for 1975-76. This would be increased by the competition for land from the then critically scarce cereals, and uniquely in southern Turkey by the concern aroused among southern farmers by an unusually heavy white fly infestation on cotton in the previous season. Turkey therefore entered the 1975-76 marketing season with a stock of no less than 200,000 tons of cotton from the old crops, but with the prospect of a new crop of only 450,000 tons. Ankara made no significant increase in the support prices for the new crop, introduced an "export incentive" of 15 per cent. of the f.o.b. value of the cotton shipped, and has since had the gratification of witnessing a sharp revival of world demand. Prices are now rising strongly on the markets of both Izmir and Adana as private traders compete for new crop supplies. The co-operatives are no longer eager sellers.

Perhaps the most interesting feature of the current situation is the revival of demand from the Turkish domestic industry, which has for some time been selling yarn in much better volume to the European markets. Turkey has greatly expanded her spinning capacity over the past three years, erecting highly productive modern units in all the major cotton producing areas. These have been principally in the private sector, but also involve direct investment by the cooperatives, in Antalya and Izmir. The Government-sponsored textile conglomerate, Sumerbank, hitherto an operator of fairly rudimentary mills, has also embarked upon an ambitious expansion programme. Ankara makes no bones about her intentions—new spindles are already being followed by looms, which will ultimately be supported by large-scale capacity for finishing and making up. It was no coincidence that the first truly international fashion parade held on the African continent was organised in Cairo last month by a Turk, and contained a significant element of Turkish apparels. Turkey will seek to use her affiliate status within EEC and the preferential tariff treatment which this brings her, to compete aggressively in the Western European textile markets. During the recent recession, her success with yarns has already resulted in the imposition of qualitative restrictions in the defence of the traditional local spinning industries.

That Turkey is but one of many countries who see the developed nations as their rightful markets for burgeoning textile industries ought now to be a matter for general concern. The speed of proposed increase of export productive capacity in the Middle East, in the Sudan, on the Indian sub-continent, in the Far East, and in Latin America poses threats not only to the prospective recipients of their goods, but to the supplying countries themselves. However, one must suppose that even were competition to reach unprecedented levels of severity, Turkey would find that her proximity to her intended markets, her abundance of relatively cheap cotton and her existing connections with EEC would weigh heavily in her favour.

John Garner
Editor, Cotton Outlook

Beating brass in the Istanbul bazaar.

Despite varied tourism resources, the country's tourist industry is in its infancy. Not a planning priority, the industry does not attract a great deal of private sector interest and supply of facilities has not kept up with the demand.

Tourism

WITH 1432 kilometres of natural sandy beaches, the cleanest in the Mediterranean, over 1,000 thermal and hydrothermal resources, relics of 15 civilisations and long sunny summers Turkey possesses the biggest tourism resources in the Mediterranean. But despite these vast resources and potential for development, the tourism industry is in its infancy, attracting only 1.5 per cent. of tourists visiting Mediterranean countries.

Tourism is not a priority sector under the current five-year development programme, which reserved only 1.6 per cent. of total investments to this sector in the 1973-77 period. The State has allocated itself the duty of making infrastructure investment and undertaking direct investment only in model facilities or with foreign capital when large sums of money are involved. The private sector, given an empty field, has not found tourism attractive, choosing to invest in other more lucrative fields where returns are higher and quicker. As a result, in terms of both facilities and income, tourism has consistently fallen short of the targets set under the development programme.

Supply has been unable to keep up with demand: during 1963-73 the number of tourists coming to Turkey increased sixfold, while revenue grew 22-fold, but tourism bed capacity increased by less than a factor of three.

Defficiency in communications and insufficiency of hotel accommodation, particularly that suitable for international mass tourism, are the two biggest bottlenecks facing tourism. Istanbul, which has Turkey's biggest deep-water harbour, is unable to accommodate tourist boats, while Rhodes, for instance, can simultaneously handle four trans-Atlantics and 14 ships. Where airports are concerned the situation is not much better. Turkish airlines servicing Izmir, which is the springboard for large tourism centres further south, can hardly cope with traffic to the city.

Capacity

Although a Sheraton hotel opened this year and an Intercontinental, as well as a hotel to be operated by Wagonlits, are expected to open next year, Istanbul, which attracts three-quarters of tourists coming to Turkey, is still drastically short of hotel capacity.

Because of these difficulties Turkey has been unable to attract mass tourism. One third of the tourists visiting Turkey are on excursions and stay less than one day. In the past ten years the time spent by tourists in Turkey has remained more or less constant at 5-5.5 days.

The number of tourists who visited Turkey in 1974, including those on excursions, was 1.1m., over 17 per cent. less than the arrivals in the previous year. In 1973 the number of tourists rose by about 30 per cent. compared with 1972. The number of arrivals last year ran higher than the comparative months of 1973 until June and then fell below the previous year's figures. Obviously the Cyprus war, which occurred in the tourism peak months of July and August was the main cause of the decline. Similarly, net gains from tourism declined from $78.5m. in 1973 to $41.9m. in 1974.

The situation improved slightly this year: about 760,000 people visited Turkey in the first seven months of this year, which was 7 per cent. more than last year. Income from tourism at this period, however, remained more or less constant at just over $137m. Year end figures are expected to be slightly better.

Of the 40,000 tourist beds in Turkey, about 5,000 are owned by foreign capital and Turkish partnerships and 3,250 are operated by foreign capital alone, both accounting for under 20 per cent. of the total.

Five foreign capital and Turkish partnerships have submitted projects for approval for installations which would create a capacity of about 20,000 beds with an investment of $100m. There are several other joint ventures in lesser stages of preparation, which would create another 4,000 beds.

Foreign investment is welcome but is subject to guidance. Investment must be made in priority regions (the Sea of Marmara, the Aegean coast and the Mediterranean); and capacity must be suitable for international mass tourism. The new projects indicate that this guidance is being observed.

Metin Munir

PARLIAMENT

Jobless will not reach 1.5m.—Healey

FINANCIAL TIMES REPORTER

TWO SENIOR Cabinet Ministers, Mr. Denis Healey, the Chancellor of the Exchequer, and Mr. Edward Short, Leader of the Commons, yesterday disputed the OECD prediction that unemployment will rise to 1.5m. in the U.K. in 1976.

Commenting on the 1.5m. forecast when replying to Treasury questions, Mr. Healey stated: "That is a higher rate of increase than I believe, in fact, will take place."

Later, Mr. Short, answering questions on behalf of the Prime Minister, also indicated that the Government does not believe that unemployment will rise to the level predicted in the OECD report.

When Sir Geoffrey Howe, "shadow" Chancellor, renewed Opposition demands for cuts in public expenditure, Mr. Healey told the House that he does not expect the public sector borrowing requirement to rise as high as £12bn.

Even if it were to reach this level, he said, it would only be equivalent to 6½ per cent. of the gross domestic product which, provided there was a comparison between like and like, would still be substantially lower than the equivalent figure in Western Germany and most other Western countries.

The Chancellor admitted, though, that like all his fellow Finance Ministers in other countries, he had underestimated the depth of the world recession at the time of his April Budget.

"This has increased the public sector borrowing requirement beyond what I then expected, but it is too soon to say by precisely how much."

Sir Geoffrey warned the Chancellor that the longer he went on carrying a high and rising public sector borrowing requirement, the longer he would go on putting off the upturn in the private sector.

Public sector borrowing would have to be reduced, he maintained, if there was to be any chance of a revival in investment and in private sector activity.

Devolution debate next month

By Richard Evans, Lobby Correspondent

THE COMMONS is to spend four days debating the Government's devolution proposals immediately MPs return from the Christmas recess on Monday, January 12, Mr. Edward Short, Leader of the House, announced yesterday.

The Government's aim is to avoid a vote on the principle of devolution, but nevertheless the division at the end of the debate will be seen in those terms. The intention remains to publish a Devolution Bill in March, to debate its principles, but then to introduce a final Bill in the next session.

The report on the Northern Ireland Constitutional Convention will be debated on January 12. As it was drafted by the majority Ulster Unionists without the backing of the Catholic Social Democratic and Labour Party, it will not be acceptable to the Government.

Under questioning, Mr. Short promised to try to bring forward the Public Accounts Committee report for debate later in January.

Equal pay progress

ALL BUT five of the agreements discriminating against equal pay have now been removed, Mr. John Fraser, UnderSecretary for Employment, said in a written Commons answer yesterday.

Of those remaining, the agreement for the Scottish baking industry had already been referred to the Industrial Advisory Board. Of the other four outstanding agreements, Mr. Fraser said that he is writing to the appropriate negotiating bodies to ascertain the facts.

Tax these benefits—MP

FINANCIAL TIMES REPORTER

MORE DEMANDS for Treasury action to tax fringe benefits enjoyed by company directors and others holding senior positions were made by Labour MPs in the Commons yesterday.

Mr. Mike Thomas (Lab., Newcastle-upon-Tyne E.) specifically singled out the activities of the merchant banks some of which he claimed, allowed their directors and other senior employees to draw on overdraft facilities without requiring them to pay any interest.

Mr. Denzil Davies, Treasury Minister of State, said the provision of loan, mortgage or overdraft facilities at less than market rates of interest which did not involve the employer in any expense was not taxable under the provisions of Part 8 of the 1970 Income and Corporation Taxes Act.

But he recalled that Mr. Denis Healey, Chancellor of the Exchequer, stated at the time of the last Budget that it was his intention to take further action on fringe benefits.

Fewer letters

POST OFFICE letter traffic from November 9 to December 6 this year dropped by 12.6 per cent. compared with the same period last year, Mr. Gregor Mackenzie, Minister of State, Industry, said in a Commons written reply.

Short's blunt words only add to Left's sorrows

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. EDWARD SHORT
"No conflict in strategy."

LABOUR Left-wingers were told in blunt terms yesterday by Mr. Edward Short, the party's deputy leader, that the Government "has no intention whatever of reflating the economy until this can be done without harmful consequences."

For backbenchers on the Labour side, who were still counting their disappointments rather than any blessing from recent Government announcements on the economy and Chrysler, Mr. Short's message merely added to their exasperation.

They made it plain at question-time in the Commons that it was other Ministers they wanted to get at. But Mr. Harold Wilson, who was due to answer questions, was visiting Northern Ireland. And Mr. Denis Healey, the Chancellor, had enough queries of his own to deal with.

In fact, he, too, had to delegate to other Ministers some of the work of answering questions.

At one point, Left-wing anger over this erupted, and Mr. Norman Atkinson, (Lab., Tottenham), a leading member of the Tribune Group, refused to accept the Paymaster General, Mr. Edmund Dell, as a suitable substitute for the Chancellor.

"It is obvious the Chancellor has ducked the question, so I will not bother to put a supplementary question," declared the indignant Mr. Atkinson.

Instead, he pursued Mr. Short, putting the Left wing complaint that the Government was resolved not to reflate nor to reduce the level of unemployment until both the borrowing requirement and the rate of inflation were more than halved.

Mr. Short, stolid under criticism, maintained that the Government had shown every intention of taking concrete steps to reduce unemployment.

Mr. William Whitelaw, Deputy Opposition leader, suggested that the Government should spend the Christmas recess eating its words. After all the recent speeches on the Government's proposed strategy worked out at Chequers for backing only winners, that policy had now been totally reversed, claimed Mr. Whitelaw.

And it had all happened "in weeks rather than months" he added, borrowing a phrase once used by Mr. Wilson.

Mr. Short, stirred into wagging a stern finger at Mr. Whitelaw, retorted: "When it comes to eating words you have a great deal to do, because you completely ignore and turn your back on the policy pursued by the previous Government of which you were a prominent member."

Amid Tory derision, Mr. Short insisted that there was no conflict between the solution put to the House on Chrysler and the strategy agreed at Chequers. It was certainly not good industrial strategy to allow one of our major exporting industries to collapse suddenly, Mr. Short added.

Earlier, Mr. Timothy Renton, on the Tory backbenches, had wanted to know why Germany and the U.S. should risk increasing their own inflation in order to help bale Britain out of balance of payments difficulties caused by the "Government's supine weakness."

Mr. Short replied that Germany and America, by general agreement, were in a better position to reflate. Britain was not yet in that position—"but when we are, we certainly shall do so."

He told a Labour backbencher that the Government expected the upturn in world trade to come towards the end of next year.

Legislation on sewer charges

BY JOHN HUNT

THE GOVERNMENT is going to introduce early legislation to alow water authorities to refund £60m. to householders who have paid sewerage charges although their property was not connected by public sewers.

This follows the House of Lords judgment that all the charges levied in such cases during 1974-75 were illegal.

The announcement means that the Government has rejected the argument of the National Water Council and the various local authority associations that the Exchequer should meet the cost of the refunds.

"The Government has concluded that it would not be right to impose a new burden on public expenditure in this way," said Mr. John Silkin, Minister for Planning and Local Government, in a written Commons answer.

However, in the legislation—which should be on the Statute Book by March—the Government is considering re-imposing some form of sewerage charge for unconnected properties. These charges would be for services, such as pollution control, which are undertaken for the community as a whole, and not for a particular user.

The Government argument is that although a property might not be connected to a sewer, the householder still obtains general benefits.

Tories wary of plan to 'widen scope' for NEB questions

BY JOHN HUNT

A GOVERNMENT statement outlining the extent to which MPs will be able to question Ministers about the activities of the newly-formed National Enterprise Board failed to satisfy the Opposition in the Commons yesterday.

Mr. John Peyton, "shadow" Leader of the House, warned that the Tories would be probing the matter again in the New Year.

Mr. Edward Short, Leader of the House, indicated that in broad terms the question of Ministerial accountability for the NEB would be treated in the same way as accountability for the nationalised industries. However, because of the different nature of the NEB, there would be wider scope for MPs to raise questions on some aspects of its activities.

The Industry Secretary (Mr. Varley) would be answerable to Parliament on his statutory responsibilities for the Board but not on matters relating to its day-to-day administration. Nevertheless, within the limits of commercial confidentiality, he would answer questions which raised issues of urgent public importance regarding the NEB or which dealt with national statistics.

He would also be answerable for the activities of the Board in its capacity as a holding company, particularly in the case of wholly owned or controlled companies. In addition, he would answer questions when the Board granted selective financial assistance under the 1972 Industry Act.

Mr. Short also emphasised that guidelines were to be published for the NEB and he hoped that these would be produced as soon as possible.

Mr. Peyton argued that the Board was not directly comparable with a nationalised industry. He recalled that the Industry Secretary had promised that MPs would be able to secure answers about the activities of the Board and its chairman.

"We will certainly want to return to this matter for a very close review of the Board and its activities," he promised.

There also seemed to be some disquiet from the Labour benches.

Mr. Arthur Palmer (Lab. Bristol NE) wanted to know whether the Select Committee Nationalised Industries would able to inquire into the affairs the NEB. Mr. Short replied t he could not answer without lo ing into the matter.

Mr. John Stanley (C, Tonbri and Malling), whose question had originally raised the mat pointed out that the Bo could take companies into pu ownership without any Par mentary reference whatever.

He said that the Commons authorised expenditure of £70 by the NEB but—judging Mr. Short's statement—there no certainty that MPs would able to monitor how this s stantial sum would be spent.

Mr. Ian Gow (C. Eastbour warned that backbenchers w view very unkindly Mr. Sh attempt to restrict the area questioning by MPs.

For the Liberals, Mr. Ric Wainwright (Colne Valley) gested there should be an "c season" for questioning M ters on all aspects of the N work before the matter finally settled.

Board soon to take R-R shareholdin[g]

By Michael Donne, Aerospace Correspondent

THE GOVERNMENT'S 100 cent. shareholding in R Royce (1971) is soon to transferred to the Nat Enterprise Board, which then become responsible for company's financing.

This was sttaed in the mons yesterday by Mr. Varley, Secretary for Indu who also claimed that Government was still awa from the company details c "operating plan" for before decinding on funds the company.

"Meanwhile, current fin arrangements are continui necessary. For the longer- Rolls Royce has formulat general strategy within w on December 9, they subm broad financial forecasts fo next five years. These are under examination.

"Decisions on individual engine projects within this gramme will be made whe company make definite pro and after a rigorous eco assessment.

"Support is already com on RB-211 applications fo Lockheed L-1011 and Boein The company have put fo no definite proposals at p for financial support for projects although some pos ties are outlined in thei year forecasts."

Mr. Varley's comments seen as an interim reply t statements earlier this we Sir Kenneth Keith, chairm Rolls-Royce (1971), that Government still had not the company a proper capi tion structure, and that it n around £100m. for w capital in 1976.

The company's view is t broad proposals have a ben conveyed to the Tre and that the Governme aware of the capital nee 1976, in addition to thos ning up to 1980.

Scottish divorce law reform bid renewed

THE BID to simplify Scottish divorce law, which failed for lack of time in the House of Commons earlier this year, was renewed in the Lords yesterday when Peers gave an unopposed second reading to the Divorce (Scotland) Bill.

A private member's measure, sponsored by the Earl of Selkirk (C), the Bill seeks to amend Scottish divorce law to bring it into line with that of England. It stems from recommendations of the Scottish Law Commission report.

Lord Selkirk said its purpose was to simplify Scottish divorce rather than make it easier, and it had the blessing of the Church and the Law Society in Scotland.

He added: "People usually go from England to Scotland to get married and from Scotland to England to get divorced. I do not think this is a very happy state of affairs. After all, marriage is the most important social relationship anyone can have."

Lord Kirkhill, Minister of State for Scotland, said that the Government was generally sympathetic to the Bill. There was considerable pressure for Scottish divorce law reform, but the Government also recognised that the subject raised complex social and moral questions to which there were often strongly opposing answers.

Lord Campbell of Croy, for the Opposition, also welcomed the Bill but pointed out the possibility of obstacles in the Commons, where it would be considered on a Friday afternoon when few MPs were in the House.

Lord Mackie of Benshie, welcoming the measure for the Liberals, said: "The Bill will relieve a great deal of genuine suffering in Scotland and obviate the degrading business of some decent people going through unnecessary procedures when they are in a wholly unsatisfactory marriage."

SNP backs Iceland's claim—Tory

THE Scottish National Party was performing a disservice to the whole British fishing industry by supporting Iceland's claim on limits, Lord Campbell of Croy, Opposition spokesman on Scottish affairs, claimed in the Lords yesterday.

Lord Campbell, who was ousted as MP for Moray and Nairn by the SNP, said: "The refusal of Iceland to renew the previous agreement or to conclude a reasonable new agreement, has aggravated the situation of the fishing industry.

He added: "The Government is right to support our trawlermen in continuing to fish lawfully on the high seas, but I am sorry to say that there are some in this country who support Iceland.

"Members of the SNP, seeking favour with inshore fishermen, are, in fact, performing a disservice to the whole British industry by supporting Iceland's unilateral claim and criticising the work of the Royal Navy and RAF in helping our vessels."

Lord Campbell said that SNP policy, if adopted, would rebound on Scottish boats which fished in the area off the Faroes and off Norway.

"Moreover, unilateral extension of fishing limits by Iceland, if accepted, would force our large trawlers back to fish in our own waters, making fishing much more difficult for our inshore fleets."

Lord Campbell added that an independent scientific assessment of conservation measures needed in the seas round Iceland was required.

Lord Strabolgi, Government agricultural spokesman, said that the fishing limits problem could not be resolved until after the Law of the Sea Conference had completed its work.

But one thing was certain. It was not feasible to have local or temporary arrangements in the meantime.

"If other countries seek to extend their limits against is, I re-emphasise on behalf of the Government that U.K. interests will be safeguarded," he declared.

The Executive's World

EDITED BY JAMES ENSOR

A middle manager at British Rail argues that its failing is

Overmanning in the corridors of power

ONCE AGAIN, the future of Britain's railways is in the melting pot. The deficit is rising, massive line closures are being talked of, and skeleton network maps published. The unions are marching on Westminster, the Chairman of the British Rail Board calls for clear Government guidance. Academics pronounce, while railway management fiddles with marginal passenger cuts (saving £15m., or £3m., or, more probably, very little at all, depending on which story you believe). All the ingredients are familiar; only an optimist will expect the outcome to be any more decisive or sensible than it has been before.

It is hard not to blame BR's top management for failing to learn the lessons of the past: in the seven years since a new start was given by the 1968 Transport Act, they have failed to put their own house in order: and they have failed, despite the windfall of the oil crisis, to establish the railway as the dominant *inland transport mode* of the future. Failure to control *costs has led to excessive* price rises which have *frightened traffic away.* At the same time, penny-pinching (the easy alternative to tackling the real high-cost areas) has led to worsening punctuality, dirtier trains, more frequent breakdowns and low staff morale. BR are increasingly offering a poor-quality, high-cost product. Such a product has never been a recipe for business success.

The failures of the past can be argued over, but a correct analysis of the present situation, and correct action from now on, are more important. The amount of public interest and debate indicates that the future of the railways is *still* very open. That being so, BR have the opportunity to put their case to the public and seek public support for a *long-term*, up-to-date railway system, but they must be *clear what they themselves* believe in: and they must put their *own house in order.*

It has been customary for railway management to say to their masters, the successive *Ministers* of Transport, "Tell us what you want us to do, and we'll do it." The Ministers *have either* prevaricated, or given an answer which their successors have reversed. An impossible situation for management, certainly; but is it not up to this management to guide *Ministers in a sensible direction*. After all, rail's competitors have not been *slow* to argue forcefully for what they feel is their rightful place in the transport system of this country. Their success (in the money invested in roads and airports) has come from this lobbying, not from any economic or social assessment of their value to the community.

So BR are living in a world of "dog-eats-dog," with the referees sitting bemused down in Whitehall. In this world they must fight for themselves. They *must fight in two directions:* externally, with the public, industry, road and air transport, above all the Government; and internally, with managers, staff, unions, to bring the business into fighting trim. One is a political battle, the other a managerial one.

In the political battle, it must be realised that the cards are stacked against BR. The air and motor industries employ far *more people than rail.* Their unions (TGWU, for instance) and their companies (BAC, British Leyland) carry more weight with Government. The responsible Minister (for Transport Industries) is outside the Cabinet and is usually a political lightweight. Journalists and television reporters run cars and use planes for much of their travelling. When forced onto rail, they too often hit the bad spots—Southern *Region* in the peak, Inter-City on a Sunday.

Tunnel

Before suggesting a line of attack, it is instructive to look at what happened to the *Channel* Tunnel. This was (unlike some railway projects) a good scheme. It was self-supporting financially, it would have improved significantly the viability of the rest of BR's network, and its *market*—the movement of people and goods between Britain and Europe—had *good* long-term prospects of growth. All this was confirmed—too late—by the Cairncross Report.

The project died because the pressure groups—local residents, ferry operators, road haulage, port interests—were against it (all supposedly in the country's interest), whereas BR didn't bother to fight their own case, preferring to rely only on a good rate of *return to impress* the Ministry. Nor did BR help *their case* by their *misguided* insistence on linking the Tunnel project with a high-speed railway through Kent.

There was a case, and a very good one, for the Tunnel: much less environmental pollution overall, certainly no more investment in total, over a ten-year period, than the alternative outlay in cross-Channel transport, *both sea and air: And it* would have been a far more reliable and civilised way of getting to Europe. The Tunnel was lost, and it was BR's own fault.

In order not to lose the even more important battle for survival, what should BR do? At its simplest, the future of a railway system depends on Government goodwill. The Government will be swayed by those who traditionally finance it—the pressure groups, the voters. So BR must become an influential pressure group, with a mind of its own. And it must get its customers on its side—both freight and passenger.

Press advertising has already *been used, quite effectively,* in educating people (particularly civil servants and politicians) about the job BR is doing for the country, and how much more it could do. More money must go into this kind of direct pressure: why, for instance, has BR made so little fuss about extravagant investment in Concorde?

Getting the support of customers is partly a matter of having as many of them as possible, since no Government would be *able, politically,* to close down a system which was well used, *and could only with difficulty be* replaced. The danger to-day is that many lines *could* be closed without causing chaos; and even profitable main lines are being used well below capacity. It was ominous to hear a Labour Minister talk recently of Inter-City rail as the carrier of the businessman on expenses and of the rich, leaving the average man to go by car or coach. A travesty of the truth, certainly, but he *obviously* believed it, and BR did not bother to contradict *him. To increase custom means* reliability, punctuality, cleanliness, *low* fares and charges. This may be a sensible policy commercially, but politically it is essential to BR's survival in its present form.

What, then, about the deficit? *Better services would increase* costs (though not by much), *while lower prices would (initially) reduce revenue.* It has been pointed out that most railways lose money, some much more than ours. So they do, and it seems unlikely that BR could approach a straightforward profit within the next ten years, if only because the costs of rationalising the network and of paying for redundancy if drastic cuts were to take place. What is crucial is for the public and politicians to believe that they are getting value for money when they subsidise *BR*; this they do not feel for the moment.

As for the second battle, management of the business has deteriorated badly in the past three years, very largely *because of worsening relations* with the trade unions at all levels. Sensible economies (or even improvements) are difficult to achieve at all, and impossible to secure quickly, in response to market demand. The abortive attempt to rationalise the Regional and Divisional levels of management has left uncertainty and low morale among managers and other salaried staff, and at present *it* is far from clear what is going to happen next.

First of all, therefore, staff relations must be sorted out. *This will* involve confrontation, maybe even a national strike—*for the ability of management* to manage the business must *be re-established. A reluctance* to insist, when staff have *refused co-operation*, has led to a situation where a small group can stop almost any change they dislike by threats of strike action, often in disregard of agreed procedures of negotiation and consultation which were once held to be a model for other industries. Management must insist on its rights within the procedures, and stick to them.

The question of compulsory redundancies is an issue which is understandably emotive. The BRB's reluctance to give a guarantee against them is surprising, for (as the NUR has pointed out), BR are *still* short of staff in many places, and rely on excessive amounts of overtime working. So, no *compulsory redundancy*, *but* in return staff must be prepared to do different kinds of jobs or to move home if they are to retain the right to employment with BR.

Having established these guidelines, excessive costs must be tackled. Overstaffing is not as prevalent as some people believe. The much-publicised *double-manning of locomotives,* for example, is not as costly as the outsider may imagine, but equally BR statements defending the 1965 Manning Agreement are less than honest: other railways in Europe got rid of the "second man" along with steam locomotives, and they *have found no evidence of a* reduction in safety.

Clerks

The most costly area of overmanning is in the corridors of power. The 1974 Annual Report says BR spent £120m. on administration—14 per cent. of expenditure, and more than the total loss on railway operating account. This sum must be cut: *an arbitrary halving would* bring quicker (and probably better) decision-making, and have a refreshing effect on the conduct of the business. The cut would have to be arbitrary, for otherwise it would create too much uncertainty, and take too long, to achieve its objective.

Some of the displaced clerks could be productively used in ticket offices, eliminating those long queues and "pay at destination" notices. In the higher echelons there would be a period when *all* casual vacancies would be filled with displaced *men*, rather than through promotion.

Further major reductions depend on investment, but this will be much lower than it should be, partly because too much of what has been spent in the past few years has been wrongly directed. What is available, and it will still be a lot of money, must go into projects with commercial impact—electrification, station improvements, rolling stock—and not into technical wizardry.

Overstaffing is not as prevalent as some people believe.

Records in dockland

BY NICHOLAS LESLIE

ABOUT TWELVE *years ago,* the Proprietors of Hays Wharf *closed down its centuries old* business of ship handling, warehousing *and cold storage.* In so doing, the company eventually found itself with 3m. square feet of storage space along the South bank of the River Thames between London Bridge and Tower Bridge requiring a new purpose.

Pleans were drawn up for an ambitious 2m. square feet £350m. "City within a city" development which was to include offices, flats and other *amenities,* but *several years* have now gone by and the pros*pect of getting* this off the ground on such a scale seems still a long way off.

In the meantime, some use had to be made of the space and one of the businesses which began more or less as a temporary expedient has now grown into a thriving activity. The "expedient" is a business records centre. In 11 years it *has grown from nothing into an* organisation which houses about 20 linear miles of records in four separate premises in the Hays Wharf area and, more recently just up the River Thames at Waterloo.

Precisely how profitable the company — Hays Business Records Centre—is its managing director, Mr. Gordon Strang, is somewhat reluctant to disclose. But it seems clear that it accounted for a good proportion of the £95,000 pre-tax profits earned in 1973-74 by the Business Services division of *Hays Wharf, a division which* also takes in computer services *and other activities.*

The venture is a good illus*tration of how to make use of* existing property with little investment being required before re-use. It is also an example of opportunism in that situation peculiar to London and relatively few other major cities—a large differential in property rentals and values between closely adjacent areas of a city.

For, simply, Hays offers to store in its lower-value properties the business records of any company situated in the high-value properties of the City, making its profit out of the *saving it can offer to customers.*

The corollary to this, of *course, is that any narrowing of* the differentials can affect the *viability of such a service* and this no doubt was in Hays' mind *in taking premises for expan*sion at Waterloo since the area around Hays Wharf, despite setbacks in terms of major development, seems likely to become slowly more popular with City businesses discovering the viability of moving operations across the river.

To get the business off the ground, Mr. Strang first looked at similar operations in the U.S. and he admits that he virtually *copied one American concern* in physical layout, administrative set up and basis of costing.

Getting clients proved a little difficult to start with. Mr. Strang was aiming at banks and other institutions, together with *solicitors'* and accountants' offices and as he remarks it was *perhaps* "a bit of a cheek to go to a bank and ask them to part with records they had never thought of parting with before."

*Nonetheless, one or two even*tually did and with some major names as clients he found it less difficult to persuade others to trust in the company's security. Not only is security of paramount importance, but so too is keeping the documents in good condition. Thus, proper temperature and humidity conditions were demanded and these Hays *could readily offer since a lot* of its redundant cold storage property proved eminently suitable.

Hays started with storage of basic documents such as correspondence, accounting files and general files, but with the growth of the business and, no doubt, a greater confidence in the company from its clients, more valuable documentation has been stored.

A less well known development of the records storage business, and one which the company is reluctant to reveal much about for security reasons, is a bank vault business.

In the 11 years of its existence Hays has shown an average revenue growth rate of around 25 per cent. Looking to the immediate future, Mr. Strang—who retires at the year end to be succeeded by his deputy Mr. David Carr—feels "there is still potential for this type of expansion."

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● OFFSHORE RESEARCH

Will test strength of waves

BEING PLACED in position weather conditions permitting, is an offshore research structure *sponsored by the Department of* Energy. It will be situated on the sea bed in Christchurch Bay, Dorset.

A steel column 16 metres high forms the basic structure, which is free standing in a mean water *depth of 8.4 metres.* The segmented column is instrumented to fulfil a two-year programme of measurement of the forces and pressures exerted by winds, *waves and currents on the* 60 tonnes structure, its 200 tonne gravity base and the supporting sea bed.

The site was chosen, says the *National Physical Laboratory* which is in overall charge of the project, because the sea states typical of the area, in relation to the size of the structure, can represent in a *short time* the effects of both average and peak wave conditions experienced over much longer periods by full-sized structures of the type used in Northern waters—it will experience in months the equivalent *environmental* conditions of full-scale platforms in the North Sea over many years.

The choice of site was the *subject of some* controversy when the project was announced (Financial Times, March 5) as it was considered by some engineers with North Sea experience that conditions in *Christchurch* Bay were unlikely to *bear sufficient* relationship to those encountered in the North Sea. Views have been expressed that the famous and devastating 100 foot wave may be experienced more *often* than the original "once in 50 years" prediction.

NPL says that loading data for designers and consultants engaged in both present and future offshore construction activities *will become* available during the early part of next year, although a complete cycle of weather seasons will be required for a full assessment of results. Information will *also* be obtained on long term factors *such as corrosion,* and the effect of marine growth. Measurements made in the underlying sea bed will be analysed by the Building Research Establishment.

An on-board computer will interrogate 128 data channels for 20 minutes every three hours—continuous *data acquisition* can take place in particularly suitable weather conditions. Over 2m. items of information will be recorded in each 20 minute sequence.

This project forms the intermediate link between laboratory model tests (where simulation of sea tests is limited) and full scale operations at sea in conditions where reliable measurements under precise control are difficult to obtain on any *reasonable time scale.*

The design construction to NPL requirements was carried out by Seatek Consortium (Hawker Siddeley Dynamics and *R. & H. Green* & Silley Weir) with Mears Construction.

Cost of construction, instrumentation and placement of the tower was £¾m., and from design to completion has taken less than a year.

● PLASTICS

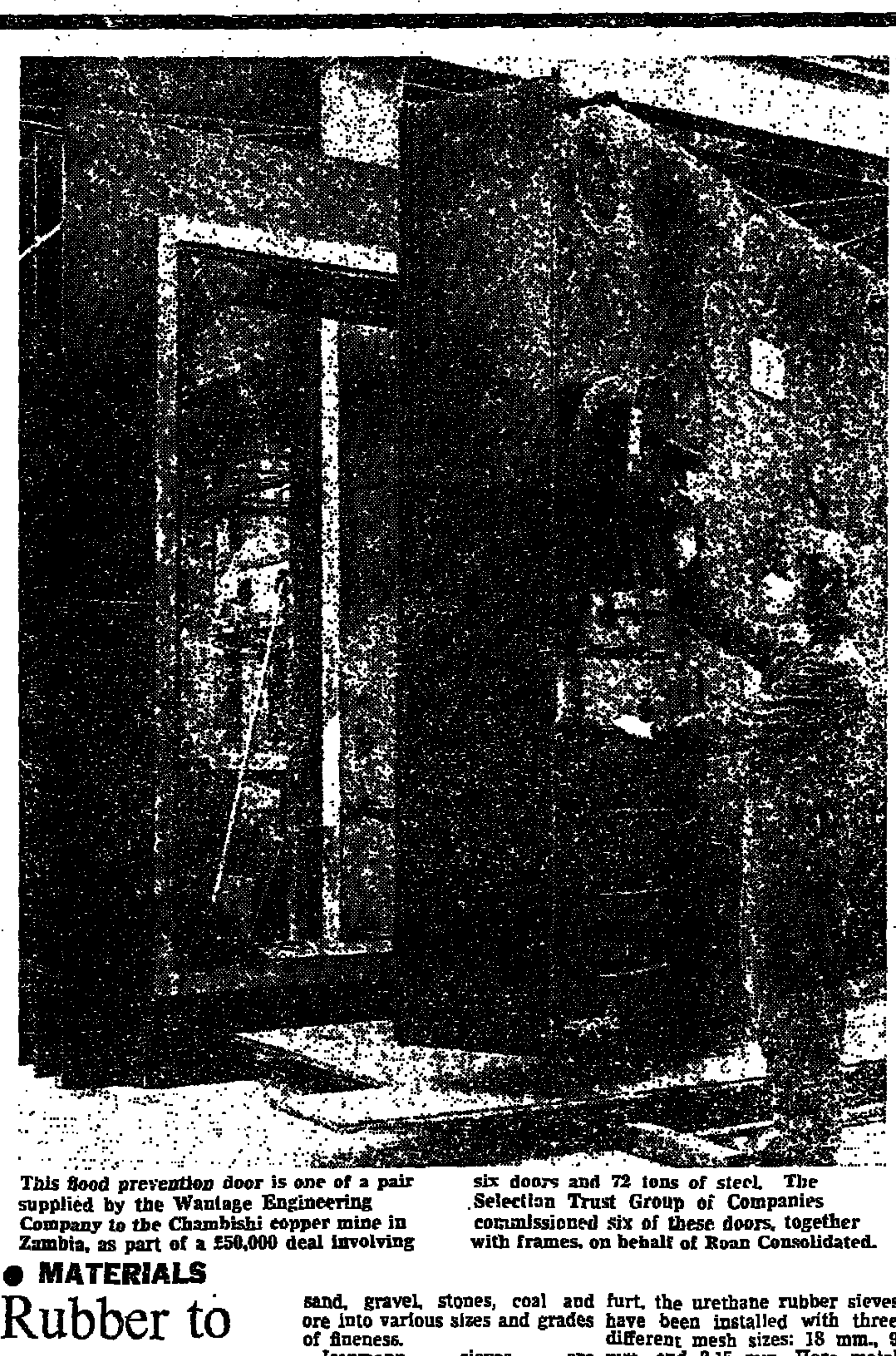
Injection machines

A SMALL range of low-price, general purpose injection machines, described as "relay" types has been introduced by British Industrial Plastics (Turner and Newall), P.O. Box 11, Tat Bank Road, Oldbury, Warley, West Midlands, B69 4NF (021-552 1551).

First available is 155/50R, which has a clamp capacity of 155 tons and a shot capacity of 235 grams.

Prime differences between the R-type machines and solid state models can be found in the control equipment. A simplified electromechanical relay system *is fitted in place of solid state* devices, no control console is provided and no "Bi-Key" programming facility is incorporated.

There is no loss of moulding speed compared with the "Bi-Key" machine, less floor space is required, maintenance requires no special equipment and capital outlay is noticeably lower, the maker claims.



This flood prevention door is one of a pair supplied by the Wantage Engineering Company to the Chambishi copper mine in Zambia, as part of a £50,000 deal involving six doors and 72 tons of steel. The Selection Trust Group of Companies commissioned six of these doors, together with frames, on behalf of Roan Consolidated.

● COMMUNICATION

Two speech channels on the mains

ORDINARY electric mains wiring is used to convey two channels of speech up to ¾ mile in factory, offices or domestic premises using the FN116s system distri*buted* by Hadley Sales Services, 112 Gilbert Road, Smethwick, Warley, West Midlands B66 4PZ (021 558 3585).

The design uses two frequency *modulated carrier frequencies* at 250 and 305 kHz and applies about one volt to the mains wiring. Up to three stations can be connected and the availability of two frequency channels means that a private conversation can take place on one while the other is available for other use (additional station units can be supplied).

Providing clear, two way loud-speaking communications between stations, the system needs no wiring installation and the units are simply plugged into the mains. The system costs £90.

● DATA PROCESSING

Three new machines

REPORTS in a leading French data processing weekly, "01" or Zéro-un Informatique, state categorically that ICL users in France expect to see *a down-rated* version of the extremely *successful* ICL 2903, the 2903/20, in the very near future.

The *down-rating* is comparatively small, but the price cut is not, *since* rental for the new model is put at Frs.10,000 per month or just under, against Frs.12,000 for a basic 2903 system.

01 says the lower rental figure applies to a system with a 16k processor, 150 lpm *printer*, 300 cpm reader, two displays and keyboards and 10 Mbytes of storage on line.

Transaction-processing orientation is also a characteristic of the floppy-disc based Honeywell 61/40 which, in many ways, appears to go one better than the IBM 32 *in that* it is particularly easy to use as a local processor in a company with a number of plants scattered around a country.

It will support *two displays* and keyboards and provides 18 *Megbytes* of online storage. With it goes a key to diskette data capture unit.

Still in the same vein is the P400 expected from Philips by early March which will be able to support up to five terminals and will be card-based. To be made in Germany, it will have a 200 lpm printer and cost from Frs.180,000 to 450,000 according to options.

Chubb's new dispenser

SOLE BRITISH manufacturer *remaining in the* cash dispensing area of the banking equipment market, Chubb Integrated Systems is now presenting a third generation dispenser which provides *cash provision* functions in a new and compact design.

For this reason, the unit has been called a "mini-teller" under the code designation MD 6000 range.

It is intended to be used either through the wall of the bank or as part of the bank counter and has been designed for extreme simplicity of operation by card-holders while providing the security on which Chubb stakes its reputation.

The company has been demonstrating the equipment to a *number of potential clients* and there is a distinct possibility that a number of contract announcements will be made early in the New Year.

Chubb Integrated Systems, Porters Wood, St. Albans, Herts. (St. Albans 67251).

Backers of Coral to expand

CLOSELY asociated with the development of the CORAL language and in general with consultancy on minicomputer systems, Systems Designers of Frimley is expected to have a major cash injection in the near *future.*

The company, which is working *on a number of military and Gov*ernment projects, now has a yearly turnover around the £1m. mark.

New backing, from one of the Big Four clearing banks, should within a few months take the company to parity with some of the largest software groups in the U.K., enabling it to benefit from the present strong trend towards the implementation of minicomputer based systems.

Several other *software houses* have set up divisions to promote the applications of micros and minis. Systems Designers apparently intends to abandon the "dinosaurs" entirely and deal only with the new generation of *compact computers which handle* large computational demands by splitting them into their component parts.

Systems Designers is at Systems House, 57-61, High Street, Frimley, Surrey GU16 5HJ, Camberley (0276) 63471.

● MATERIALS

Rubber to outwear metals

EXTREMELY hard-wearing Du Pont Adiprene urethane rubber has enabled a German *company to develop a type of* sieve deck which outlasts metal sieves many times over, thus saving maintenance work and down time in quarries and similar installations.

The sieves, manufactured by *Isenmann Drahterzeugnisse* GmbH of Karlsruhe, can be made in a variety of dimensions, mesh and slot sizes by an inexpensive casting process. They are used to grade and dewater sand, gravel, stones, coal and ore into various sizes and grades of fineness.

Isenmann sieves are generally used at the point of *impact* where the stream of unsorted material straight from the quarrying operation first strikes the vibrating primary grader tray. Here the effect of abrasion is such that stainless steel sieve decks would last anywhere from ten weeks to *as little as one* week, depending on the type of material passing through and on other variable factors.

At Karlsdorf, in southwest Germany, Isenmann sieves were installed in September 1973. *After two years of constant use* they are still in good condition and are expected to last at least another year. Metal sieves here failed in a few weeks.

At Kelsterbach, near Frankfurt, the urethane rubber sieves have been installed with three different mesh sizes: 18 mm., 9 mm. and *3.15 mm. Here metal* sieves had to be replaced after ten weeks; *according to estimates* based on the first few months of use, Isenmann sieves are expected to give at least 20 times the service of the metal ones.

Apart from the longer life of the sieves, use of Adiprene *brings other advantages.* Rigid metal sieves would often clog when oversize stones became jammed in the holes. The resilience of the synthetic rubber, however, gives the Isenmann sieves a type of self-cleaning *action which keeps them* clear and further reduces maintenance work.

Du Pont, 18 Bream's Buildings, Fetter Lane, London, EC4 (01-242 9044).

● METALWORKING

Cordless iron

A SMALL soldering iron put on the market by Greenwood Electronics, Portman Road, Reading RG3 1NE (0734 595844) works *from re-chargeable nickel* cadmium batteries. It can make up up to 125 joints in one charge states the company, depending on the gauge of wire being soldered.

When the iron is placed on *the mains energised* stand with which it is supplied, re-charging takes place, say overnight, and the batteries cannot be over-charged.

Because of its low in-use voltage and "snap-in" tip design, there is no electrical leakage and no need for earthing. There is also very little risk of heat damage to sensitive components claims the company.

The iron is switched on by pressing a button and comes to operating heat in about ten seconds. There is a built-in working light. Tip temperature is claimed to be in excess of 700 deg. F. The price with one tip is £11.95.

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FRIDAY, DECEMBER 19, 1975

A tendency to be watched

THE GOVERNMENT of every industrialised country comes under considerable pressure, at times of world trade recession, to distort the normal rules of trading in favour of its own manufacturers: the need to raise the level of domestic employment and to improve the balance of foreign payments push in the same direction. But such individual distortions of the rules invite retaliation which will eventually leave everyone worse off and no single country better off than before. It says a good deal for the sophistication of modern Governments in their enlightened pursuit of self-interest that even the present recession in world trade has not so far led to any major break with the recognised conventions on the part of major industrialised countries — that there is, indeed, a certain readiness on the part of Governments to head off the danger of retaliatory import restrictions by working towards the further dismantling of obstacles, predominantly in the non-tariff field, to the free flow of trade.

Although import restrictions are most commonly cited as the danger to watch, export subsidies are almost equally objectionable. Having maximised the ratio of international ill-will to economic benefit with its announcement about import restrictions, our own Government, not surprisingly, has chosen to make its statement about improved export facilities in the form of an answer to a written Parliamentary question.

Improvements

More than that, the Department of Trade and the Export Credits Guarantee Department are not giving details of the improved facilities now to be introduced, so that both their usefulness to individual exporters and their cost to the country will emerge only in the course of time. Mr. Shore had four improvements in ECGD facilities to announce yesterday. The first is an increase, made presumably for administrative convenience as much as anything else, in the credit limits which can be established by exporters for individual buyers without reference to the Department. The second is not so much a new improvement as a report that one introduced in the summer is now generally available: pre-shipment finance on approved export orders of minimum size and manufacturing span will be made available by banks against an ECGD guarantee at a suitable market rate *and without prejudice to the* particular firm's total credit limit with the bank. Neither of these need have a major international impact.

But there are also two new improvements. The first, not unexpected following strong representations from the Confederations of British Industry, affects the cost escalation insurance scheme first announced in February. To achieve more "flexibility," ECGD *may* now reduce to an unknown extent the first tranche of cost escalation that must be borne by the exporter, *may* widen its bands of cover and the differential in favour of cash payment in the case of thresholds above the minimum, and *may* in future pay part of any claim in stages.

Disadvantages

The amount of discretionary power involved in these innovations is presumably to be explained—there are only written answers to written questions—by the fact that the requirements of individual exporters "vary widely." In the case of the other new improvement in ECGD facilities—insurance for the members of a consortium contracting abroad against the risk of loss involved in the insolvency of a member—details are not yet available because they have not yet been discussed with industry.

Both these new facilities will be welcome to industry, especially to those firms hoping to gain large orders from the Soviet bloc or the oil-rich countries of the Middle East by acting as consortia against stiff overseas competition. But they are a reminder that some international initiative to regulate national action in this field is overdue and could well be taken through the EEC rather than through some larger grouping like the OECD. They are a reminder, too, that export subsidies (like import controls) involve disadvantages as well as benefits to the countries which operate them. There is certainly an urgent need to improve the U.K. current balance of payments. It is questionable how far it is worth doing this by borrowing short and expensively to lend long and cheaply to anyone who will buy our goods.

Local councils are about to be told the cash limits for their 1976-77 home improvement plans. **Michael Cassell** examines the new emphasis on making better use of houses already built

Tommy Hart

Before and after in Brixton: Lambeth Council has renovated the homes on the right while those on the left are waiting for the builders to come in.

Halting the council bulldozer

WITH Britain's new house building programme still struggling to lift itself off the bottom of a recession, yet another disappointed Government has had to modify its ambitions in the face of harsh reality and give notice of a switch of emphasis in its housing strategy.

The message, clearly delivered recently by Mr. Anthony Crosland, Secretary for the Environment, was that insufficient attention had traditionally been paid to improving the nation's existing housing stock, a trend which is inevitably exposed when the rate of new house building falls off. He made it clear that past mistakes would not be repeated as long as he had a say in the matter.

Efforts to ensure the better use of houses already built have consistently formed a more substantial part of the housing policies formulated by recent governments — not least the present one. Many politicians would admit, however, that, *because there is far more* political mileage to be gained from a major housebuilding programme than from any amount of improvement work, the emphasis has too often been centred on new development rather than on renovation.

Thrown into sharp focus

Now the value of improvement programmes has again been thrown into sharp focus. In the words of a former Conservative Minister of Housing, improvement has again become "the name of the game."

Mr. Crosland was not so rash as to suggest that efforts to stimulate new construction work in the housing sector were in any sense being relaxed, but he made it clear that the best chance open to the Government to help tackle current housing inadequacies lay at least as much in the better utilisation of what already exists. He also emphasised that this was not a matter of short-term expediency designed to fill the breach until new building picked up, but a more considered approach towards finally solving some long-standing problems.

As the Minister pointed out, many of the present housing troubles stem from the old belief that problems could literally be bulldozed out of the way by demolition and new building alone. The "brutal assault" on towns and cities meant that many thousands of homes were unnecessarily destroyed.

The central paradox in the current housing situation is that there exists a crude surplus *of homes over actual households* of well over 500,000, yet enormous difficulties remain. In an average year, some 300,000 new houses are built—though in 1974 and 1975 the annual totals have been much lower—a figure which easily exceeds the combined figure of demolition of existing homes and growth of new households. As a result, there is a net annual housing gain of at least 50,000, even in a bad year.

This crude surplus, however, cannot eliminate problems caused by such factors as regional disparities in housing provision, the rapidly growing number of small households and difficulties encountered in catering for special housing needs.

While the U.K. housing stock, at around 20m., is quite large in relation to the country's population, it is equally true that the new building rate is, on the same basis, comparatively low. The resulting annual increase in the total number of homes of about 1.5 per cent. only serves to underline the vital importance of fully utilising existing housing stock.

The scope for improvement and renovation is immense, with an estimated one-third of the country's houses built before 1919 and around 2.4m. *homes in need of modernisation* but not considered candidates for demolition.

The bulk of home improvement work has traditionally been carried out by private owners and housing associations, with the help of a comprehensive range of grants that have from time to time been at the centre of political controversy over their alleged misuse. While not actually receiving assistance in grant form, local authority improvement programmes attract a subsidy of 66 per cent., as do new building projects.

While Mr. Crosland and his fellow ministers believe that the housing improvement and renovation effort must be stepped up, with grants clearly playing a major role in the task, the current level of grant approvals and finance made available does not reflect the apparent strength of feeling on this subject at the Department of the Environment.

Although the figures are not yet complete, it seems likely that the total number of renovation grants approved in England and Wales during 1975 will reach around 130,000 compared with the peak 1973 figure of 361,000 and 232,000 last year. The comparatively new National Home Improvement Council, which now represents many trade associations and companies with an interest in the improvement field, feels that tremendous scope exists for an educational programme to let people know what their rights are in terms of eligibility for financial assistance. Some grant qualifications, it believes, should also be relaxed.

Unfortunately, the DoE's attitude is governed almost totally by the general economic situation and, much as it wants to see improvement work expanded, it knows that the climate is not right for a big push such as the last Conservative administration carried out under Mr. Julian Amery.

The 1973 peak followed hard on the heels of the 1971 Housing Act, which carried on some of the previous grant arrangements but provided for assistance of up to 75 per cent. of cost, rather than the previous 50 per cent. norm, in development and intermediate areas.

This single measure, principally *designed* to stimulate employment in certain areas, led to a remarkable surge in grant approvals in the north east in particular. The 75 per cent. level stood until the Labour Government introduced its 1974 Housing Act. Grants of about 50 per cent. are still quite widely available, though in areas where actual housing needs are the major criteria rather than unemployment.

A major element of the 1974 legislation in respect of improvement grants was an attempt to make the system more discriminating than it had been. Labour MPs had repeatedly claimed that public money was too often finding its way to the type of people for whom the grant system had not been intended, such as owners of expensive homes or landlords whose income could rise substantially after completion of State-assisted improvement work.

Since last year, therefore, grants have not been available on second homes and any landlords obtaining a grant must keep his property in the rental market for at least five years afterwards.

On top of this, rateable valuation limits have been imposed to cut off assistance to those who might be expected to help *themselves*. But *although* both major parties have acknowledged this system as an acceptable form of "means testing" grant applicants, it has recently attracted considerable controversy.

There have been mounting claims that the limits—£300 in Greater London and £175 elsewhere—have become *unrealistic* as a result of the recent massive increase in rateable values. Pressure to get the thresholds pushed up has been quite strong. Now Mr. Crosland has made it clear that he expects to alter the existing limits but his action seems likely to fall far short of the more generalised action demanded by some people.

The Minister *says* that he intends to increase the valuation limits for owner occupiers where conversion for letting is the intention, which should certainly advance the cause of making the best of the housing already available but which, critics say, will not help in cases where rateable values hid[e] the true financial circumstance[s] of the grant applicant.

But if the number of gra[nt] approvals is now well down o[n] past years, the Department [is] anxious to emphasise that [the] reduction in the figures do[es] not necessarily mean [a] corresponding fall-off in th[e] actual amount of work bei[ng] done. It points out that hous[e]holders, at least temporari[ly] dissuaded from changing hom[es] in a very uncertain housi[ng] market, may well be improvi[ng] what they already own witho[ut] the help of a grant. Repor[ts] from contractors and materi[al] suppliers would suggest, ho[w]ever, that there has been [no] major drop in improveme[nt] work.

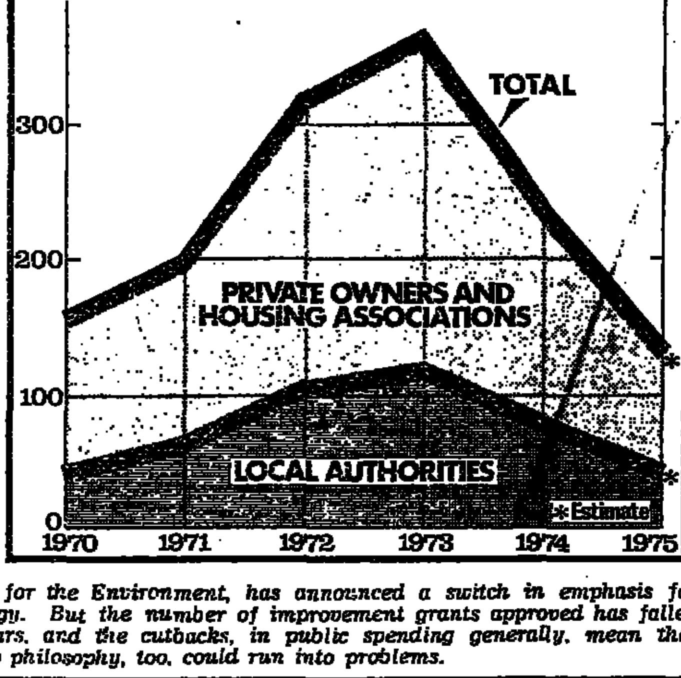
Make rational allocation

Suspecting that many loc[al] authorities had in the past be[en] misdirecting expenditure in[to] *pure replacement work rath[er]* than improvement schemes, t[he] DoE is now clearly determin[ed] to see "a more coherent a[nd] rational allocation" of impro[ve]ment funds, in the words [of] Mr. Crosland.

For 1976-77, it is expect[ed] that the local authoriti[es'] improvement budget will [be] limited to the level of spendi[ng] allowed this year.

As for the private sector, [the] Department points out that, w[ith] the steady growth of Housi[ng] Action Areas, where parti[cu]larly serious conditions [...] attract very high grants, [and] the continuing expansion [of] general improvement are[as,] there should be a steady bu[ild] up of activity by priv[ate] individuals as well as by lo[cal] authorities.

The Government believes t[hat] its new approach to impro[ve]ment and renovation stand[s a] much greater chance of long[-]term success than any previ[ous] legislation. But while there [is] general agreement that [...] public money made availa[ble] for such work will in futu[re] stand a better chance of be[ing] used where it is most need[ed,] it is something of an irony t[hat] the tightening grip on pub[lic] expenditure will impose sev[ere] limitations on just how ef[fec]tive the new philosophy can [...]



Mr. Anthony Crosland, Secretary for the Environment, has announced a switch in emphasis for the Government's housing strategy. But the number of improvement grants approved has fallen significantly in the past two years, and the cutbacks, in public spending generally, mean that the new philosophy, too, could run into problems.

How not to deal with the Community

NEITHER Mr. James Callaghan, the Foreign Secretary, nor M. Valéry Giscard d'Estaing, the French President, has distinguished himself by his diplomatic behaviour during this week's Conference on International Economic Co-operation. It seems fairly clear that Mr. Callaghan, in his personal statement as a British representative, went beyond what had been approved by the other members of the Community: it was provocative, at a conference called and chaired by the French Government, to insist publicly on the need for a minimum safeguard price for oil, since the French are opposed to such a concept; it was gratuitous to do so *two* days before an expected agreement on a minimum safeguard price in the International Energy Agency, of which France is not a member: and it suggests that Mr. Callaghan is not well suited for the art of diplomacy in a Community.

Stoical

The French President, for his part, would seem to have overreacted to Mr. Callaghan's determination to expand his statement at the conference. Most of the other member states were evidently prepared to take a more stoical attitude to a gesture that was, after all, of no conceivable practical significance.

But it is above all Britain which loses by provoking unnecessary irritation in the capitals of other Community members. An agreement on a minimum safeguard price in the IEA may be an important step in principle, but it is not yet clear in what circumstances or by what mechanisms it would have any practical effect. It is fairly clear, however, that if an MSP of \$6-8 per barrel were to become operative—and that would only happen if the free world price were to fall below this level—it could only be made to work if all the major oil importers were to subscribe to it. Since France is not a member of the IEA, it could only be made to work through a parallel agreement inside the Community. Britain has every interest in using its leverage inside the Community to ensure that such an agreement is reached; it is only through the Community that it has any role at the CIEC; to conduct quixotic skirmishes in an inappropriate forum is bound to stiffen the irritation of the French, and is likely to be counter-productive.

Ill-advised

Britain's handling of the Community aspects of the Chrysler saga is also open to criticism, though on rather different grounds. The Financial Times has criticised the deal with Chrysler on the grounds that it is an ill-advised gamble which is inconsistent with the Government's own industrial strategy. It might indeed be much better, even now, if some alternative solution were devised. But to point a pistol at the Commission's head, over the question of whether the deal is compatible with the competition rules of the Rome Treaty, is to highten the risk of an open conflict with the Commission and the Court of Justice.

But unless the British Government is really prepared to abandon the agreement with Chrysler, in the event of a veto from the Commission, it is suicidal to demand an instant decision. Politically, the Commission will find it difficult to give an outright No; it would find it much more difficult to veto a *fait accompli*. Does the British Government know what it is doing?

MEN AND MATTERS

Retailing's new politician

The retail trade is likely to be less than enthusiastic about the announcement that Joseph Godber is going to take over the leadership of the Retail Consortium in the new year.

The consortium has never ben the most popular of animals in the retail trade since it grew out of the Multiple Shops Federation and many in the retail trade regard it simply as the protector of the department stores. At least, however, the previous Chairman, Lord Redmayne has had some considerable experience in retailing as deputy chairman of House of Fraser. Godber, former Tory Minister of Agriculture, has also been in the retailing field—but only for the last eighteen months with Booker McConnell.

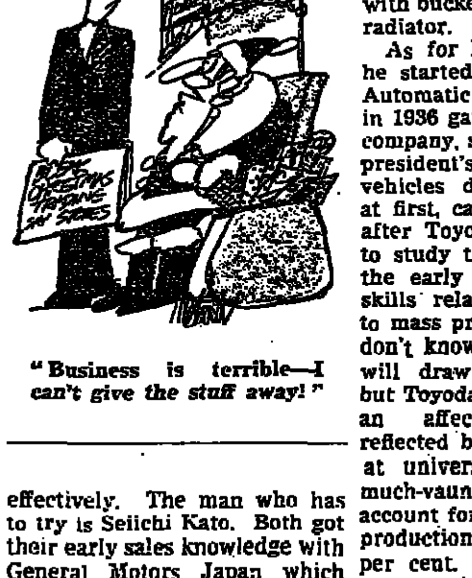
The consortium's image has improved since Richard Weir became its Director — a new appointment—but it still has a long way to go before it convinces small businesses that it is *taking their interests fully into* account in negotiating with the Government.

Last night Godber commented that he recognised the need for consolidation of representation as far as the retail trade is concerned. But like any good politician he refused to be drawn on his exact plan of campaign of the future of the consortium under his leadership.

The need for leadership in the retail trade has become apparent only since the introduction of price control. Like the food industry, retailers were slow to wake up to the fact that they had to prove their case to the Government, rather than simply to state it. At least Godber like Redmayne is a political animal and will understand how the process of external politics work. But, like Redmayne, he will discover the internal politics of retail*ing, with different groups* having different aims and sometimes competing aims, is likely to be the more difficult proposition.

Lost

Apologies to the Post Office for the way I keep mentioning it, but it seems to have mislaid the Bank of England now. True, the North Wales firm of solicitors which sent a letter to the Chief Accountant of the Bank at Finsbury Pavement in the City should perhaps have tried a more widely-known address (Threadneedle Street?). But the firm was a little surprised to receive the letter back with "Gone away" scrawled across it.



"*Business is terrible—I can't give the stuff away!*"

Toyota loses the sales god

Toyota, the world's third biggest car group, has two principal wings, and the president of the manufacturing side, Eiji Toyoda, is in London heading the Japanese Automobile Manufacturers' side in talks with their U.K. counterparts. Our Society of Motor Manufacturers and Traders had hoped to persuade its guests to curb exports.

Which is rather ironic, because back home, the president of Toyota's sales company and therefore the man who has probably done the most to foster the country's huge motor export boom has just retired. Shotaro Kamiyama has earned the considerable compliment in Japan of being known as "the sales god" thanks to 25 impressive years with Toyota.

He has the sort of reputation that makes competitors wonder whether he can be replaced effectively. The man who has to try is Seiichi Kato. Both got their early sales knowledge with General Motors Japan which dominated the car industry there in the 30s.

In recent years, the relationship between the sales side and Toyota Motor Company has been unusual and sometimes quarrelsome. Kamiyama insisted, for instance, on having the capacity of the Corolla model's engine upgraded and its rear changed from fast-back to family saloon style. The Corolla went on to become the spearhead of Toyota's first successful incursion into the U.S. It is now claimed to be the world's number one car in terms of domestic manufacture.

There was friction this year when Toyota Motor said it could not increase production of pollution-free models in the autumn in advance of tighter emission regulations, only to step up output at the last moment to cause a headache or two at Toyota Sales. Kamiyama himself can be brusque with the business's other half. One nice story tells how a now-deceased *Motor Company president was* worrying about water leak complaints: Kamiyama retorted crisply he could not sell cars with buckets dangling under the radiator.

As for Eiji Toyoda, now 59, he started work in the Toyoda Automatic Loom Works which in 1936 gave birth to the motor company, started by the present president's cousin. Commercial vehicles dominated production at first, cars taking precedence after Toyoda went to America to study the industry there in the early 50s. His particular skills relate, not surprisingly, to mass production methods. I don't know whether the SMMT will draw comfort from this, *but Toyoda is reckoned to have* an affection for Britain, reflected by the fact his son is at university here. Toyota's much-vaunted exports in fact account for only 34 per cent. of production, against nearly 50 per cent. at Leyland. Family control is still very evident, though the explanation for the difference between its name and that of the company underlines the sales side's independent ways: it was decided right at the start the "t" rather than "d" looked better on the cars.

St. George again

Britain's been paying the lion's share towards Dragon, so perhaps we should not be surprised at this week's curious quote. Dragon is a 12-nation nuclear experiment which has been running in Dorset since 1964. Now Dr. Leslie Shepherd, the chief executive, declares: "We have not got enough money to shut the project down properly, only to abandon it."

Observer

POLITICS TO-DAY: THE CHRYSLER RESCUE

BY DAVID WATT

When you eliminate the impossible . . . .

IT WAS one of Sherlock Holme's dicta, if I remember rightly, that when you have eliminated the impossible, whatever remains, however improbable, must be the right answer. What applies to criminology is equally applicable in politics. In fact it is by this rule of thumb that most politicians survive.

It is worth stating this at the outset of any discussion of the Chrysler affair, because it accounts for much that is otherwise unexplained. Certainly I have never known an issue where the gulf between the politicians and the rest of the world has been wider. The commentators have been talking about the question in one way: the Cabinet in quite another—and the essence of the one finally taken by the majority of Ministers is that the Chrysler rescue, however improbable, is preferable to the political impossibility of the alternatives.

We will come to some of the subtleties in a moment, but the simple bedrock of the issue as it presented itself to, say, Mr. Harold Wilson was as follows. The first option was to let Chrysler fold up. Consequences: at least 50,000 car workers thrown out of work in Scotland and the Midlands (to say nothing of another 25,000 in Chrysler dealers all over the country); resignation of Scottish Office Ministers with repercussive effects on the stability of the Cabinet and the strength of the Scottish National Party in Scotland: vast outcry from the Left, encouraged by Mr. Anthony Wedgwood Benn, calling for nationalisation: a revolt of nearly half the Labour back-benchers in Parliament, either because of Left-wing tendencies or constituency hardship; a major blow to peace with the unions and therefore to the prospect of a continuation of incomes policy. Conclusion—an option so acutely dangerous to the Government as to be virtually impossible.

The alternative was for the Government to take over responsibility for keeping Chrysler going—either by nationalisation and/or merger with British Leyland or through Chrysler's so-called "scheme B" under which the Government would have taken over the company for a consideration of £35m. while Chrysler continued to run it in a streamlined form. Consequences—the Government would assume the limitless financial responsibilities for a gigantic ailing company and total political responsibility, in case anything went wrong, for superintending its demise; Government would be the proud possessor of two rival nationalised enterprises; probable resignation of Mr. Denis Healey. Conclusion—an equally, if not even more, impossible option.

Leonard Burt

After wrestling with two unattractive options about the future of Chrysler U.K., Mr. Harold Wilson was ready to welcome a third way out. But Mr. Eric Varley (right), the Industry Secretary, was worried that the gamble would destroy the credibility of his industrial strategy.

A third way

Having wrestled with these two frightful choices for some weeks it is hardly surprising that the Prime Minister should have cast round for a third way—and jumped at it when it emerged from the fertile brain of Mr. Harold Lever. The notion of keeping Chrysler going but limiting the financial and political responsibility of subsequent failure by persuading Chrysler International to put more of its own money in was a fairly obvious try—except that no one in the Cabinet really thought it could be sold to Chrysler. When this long shot came off, the instinctive reaction of most of those concerned (though not of the Department of Industry Ministers and officials) was one of relief. The plan might have grave, perhaps insuperable, drawbacks but at least it did not partake of the same political "impossibilities" as the other two strategies.

In this atmosphere the question that has dominated the public debate—namely whether Chrysler U.K. is really a viable long-term operation—was not really at the centre of the argument. My impression is that almost no Cabinet Minister, with the exception of Mr. Lever, gives the company more than a very outside chance of surviving for longer than three or four years at the most. That it why they have refused to take any equity in the business and why they are not too worried by the argument that any real success accruing to Chrysler must be at the expense of British Leyland. Mr. Lever himself, being an optimist as well as a shrewd gambler, evidently has a genuine hunch that the revamped Chrysler, integrated with the European operation, could be a hit; but with his economic views he probably would not lose much sleep if the emergence of a new, slimmed-down British car industry entailed difficulties for British Leyland rather than Chrysler.

The actual argument has been rather different. On the one side were those Ministers who believe that it is worth paying a certain amount of cash so that when the final collapse comes it will be in generally easier circumstances both politically and economically.

On the other one those who think that the undoubted advantages of doing this do not outweigh the psychological glow to the Government's wider purposes that would be involved.

The calculation of the first group, which obviously includes the Prime Minister, is that in a couple of years the world economy will have turned decisively and Chrysler will either ride the crest of the wave succesfully, in which case so much the better, or it will not, in which case it will be much easier and less expensive than now to reabsorb the labour and cope with the political problems involved. The devolution argument should also have been resolved one way or the other by then and the necessity of keeping the trade unions quite so happy may have been reduced.

Mr. Healey ranged himself with this point of view because it is in accordance with some other parts of his strategy—his alliance with Mr. Michael Foot and his reliance on an eocnomic time table which means that he will be destroyed anyway if there is no upturn in 1977. His doubts were about the immediate costs to the revenue and once these were laid to rest (by a comparison the probable outlay on Chrysler in the next two years with the amount required to pick up the pieces if Chrysler folded) he was not too hard to convince.

The contrary position was not so much that it was immoral to buy time in this way or even that the outside gamble on Chrysler was at excessive odds. What Mr. Eric Varley was asserting was that the gamble would destroy the credibility of his industrial strategy—a point widened by Mr. Roy Jenkins, Mrs. Shirley Williams and Mr. Edmund Dell into the proposition that it would destroy the credibility of the Government as a whole.

Granted that there was a faint hope for Chrysler and that the world economy may be on the turn and that the amount of money involved in the rescue, net, is comparatively small, the operation represents a wastage of a precious political asset. The country is in a sombre and realistic mood, prepared for sacrifices. The unemployment caused by the demise of Chrysler might not have been the most industrially rational way of streamlining the motor industry but it would have shown that the Government was in earnest, and would have rubbed the noses of workers in the consequence of stoppages and bad workmanship. To put it at its most cynical, if the British public is in a masochistic mood one ought to take the opportunity to do something unpleasant to it if you do not, you merely breed even deeper cynicism.

Naturally other personal or adventitious motives were present among the dramatis personal. In the second category there was the matter of the Iranian contract. Another ingredient in the minds of Mr. Healey and Mr. Lever was their desire to avoid import controls on cars.

On the personal side one might speculate that Mr. Wilson was worried at the prospect of losing an ancient and faithful retainer if Mr. William Ross went: that from the outset Mr. Varley was understandably jealous of Mr. Lever who had already been put in over his head at the Energy Ministry to cope with the North Sea Oil negotiations; that Mr. Varley and Mr. Gerald Kauffman, his Minister of State, being both protegés of the Prime Minister, were anxious to prove their independence of him; that Mr. Healey, as usual, had half an eye on the Prime Ministership at some future date.

But this sort of thing is inseparable from politics and does not invalidate the seriousness of the debate that was being conducted. On balance I happen to believe that Mr. Varley, Mr. Jenkins and company were right. But it is important to acknowledge that the issue cannot possibly be as pure black and white as it has been presented. It is not necessary to be a cynical opportunist, still less a craven phantasist, to argue that the Scottish question is of overwhelming importance, that the sudden unemployment of 70,000 people in a blaze of publicity may critically worsen the political and industrial climate. It is even permissible to ask whether there is not some element of dangerous hysteria in the present passion for radical industrial surgery. Those who disagree may question some of the premises (for example the effect of the Linwood closure on the fortunes of the fortunes of the SNP) and many of the conclusions, but there is a balance of national advantage here on which reasonable men can differ.

This does not mean that the whole episode has not been damaging. There would have been a price to pay whichever way the decision had gone, and because of the way that the decision went the Government's credibility is undoubtedly dented. The damage has been increased, of course, because of the long-drawn out nature of the crisis and the sharp clashes of personality that were involved. It is typical of the way things work in the Labour Cabinet that Mr. Lever, the man most able to "sell" and indeed explain the rescue operation since he was the only one who understood it, should have been prevented taking part in the debate or even from appearing on television for fear that Mr. Varley's sensibilities would be further outraged.

In-fighting

These wounds, coming on top of the gashes caused by the in-fighting over expenditure cuts, may not be easy to heal. Whether one should go further and predict that this incident will be a major turning point—the beginning, the decline and fall of the present administration—is much more uncertain. Having written a laudatory article three weeks ago on the and prospects I must say have been shaken by its mishandling of three major issues in succession — the North - South Conference, devolution and now Chrysler—and in each case the final failure of nerve has been even more worrying than the details of the argument. I do not regard Chrysler as a major step on the road to ruin, but it is certainly further evidence that this Government finds it hard to carry off its mistakes with conviction.

Letters to the Editor

Sold on price and value

From The Chairman, British-American Tobacco Co.

Sir,—The article by Mr. Gordon [illegible]ther (December 18) entitled "Multinationals' Tarnished Image" is based on false assumptions and therefore draws the wrong conclusions.

The assumption is that Chrysler failed because it was a multinational company and that if the company had remained in British hands it would have prospered. The British Leyland debacle hardly supports this view, nor does the survival of Ford and General Motors in this country.

As Samuel Brittan says on another page in the same paper, quoting the Central Policy Review Staff report, "the key example is that British car assembly plants produce only half as much per man, using identical equipment and making identical models, as their counterparts on the Continent." Cars are a world commodity and are sold on price and value. Surely this is the lesson to be learned.

P. Dobson,
P.O. Box 482,
Westminster House,
Millbank, S.W.1.

Pensions and inflation

From The Head of Pensions and Social Services Department, General and Municipal Workers' Union.

Sir,—I refer to Eric Short's report (December 17) of what I said at my union's national conference for the electricity supply industry. There appears to have been an unfortunate misunderstanding because, as reported, I seem to be critical of the effect on pension planning of the Government's anti-inflation strategy.

What I said was that because the strategy is beginning to bite, wage earners are looking round for areas in which they can economise, and contributions to occupational pension schemes is one commitment some of them are unwisely trying to get out of. I then went on to enumerate several good reasons why they should continue to pay pension contributions. The point being that the move away from pension contributions is the real threat to the future of the pensions movement and the Government's pension planning, rather than the over-publicised public service pensions red herring.

Finally, to avoid any further misunderstanding, the General and Municipal Workers' Union supports the "attack on inflation" strategy totally, we were under no illusion that it would make life any easier for us in the short term. But as realists we accept that getting inflation under control is central to everything else we are trying to do for the welfare of our members.

[illegible]ry Lucas.
Head of Pensions and Social Services Department,
General and Municipal Workers' Union,
[illegible]rne House,
[illegible]ley Ridge,
[illegible]gate, Esher, Surrey.

Participation in decisions

From The National Officer, Association of Scientific, Technical and Managerial Staffs—Education.

Sir,—I note the report by Eric Short on Turner and Newall (December 10) which gives a glowing transformation of yet another large company from complete secrecy to participation in its pension scheme by employees.

It is not for me to criticise your comment on the methods which Turner and Newall is implementing to bring about participation in its pension scheme; no doubt one of my colleagues that covers Turner and Newall can do this.

The reason for my writing is to bring to your notice the rather misleading statement that employee representation in other leading industrial companies, and here I mean Unilever, is the epitome of democracy in private pension schemes. As the national advisory secretary for our members within Unilever we were presented with a fait accompli in so far that Unilever decided without any negotiations with the unions concerned on a pensions board. Furthermore, there were no negotiations on the timetables for elections and for the constituencies, for example Warrington not being in the North West.

Those responsible for investment within the union pension scheme report to this elected board as to what they have done, and this is, to a committee which has 12 company nominations, excluding the chairman who has a "casting vote."

I am not suggesting for one moment that the Unilever pension scheme is the worst, but I think we should get into context this issue of so called representation in pension schemes whose investment monies alone equal the total budget of many small nations. After a direct approach Unilever refused to negotiate any item of pensions with any trade union.

R. Beson.
Whitehall College,
Dane O'Coys Road,
Bishop's Stortford,
Herts.

Iron road to the Isles

From Sir Andrew Gilchrist, Chairman, Highlands and Islands Development Board

Sir,—In his article on "Shrink-packaging Britain's railways," Colin Jones asks the key question what rail services are we, as a nation, prepared to afford during the next five to ten years.

So far as this end of the kingdom is concerned, if we can't afford a basic rail network stretching to Inverness and beyond, then we can't afford to work North Sea oil—it's as simple as that. And what about marketing the aluminium (with British Aluminium now locating its head office in Inverness); and what about the growing volume of overseas tourists who (given the present and forthcoming price of petrol) want to use public transport to reach this beautiful but relatively remote corner of the world?

The railways in the Highlands and Islands have experienced substantial disinvestment since the Beeching era and they are short of track capacity, labour and motive power; in all these respects they are inadequate to deal with the substantial growth of traffic, both freight and passenger, which has been built up in the past few years. Oddly enough, the investment required to correct this situation is remarkably modest. What is needed even more than investment is confidence and stability, just what the present flurry of publicity, with Scotland prominently pictured as a railway blank, does nothing to encourage.

To-day several oil related firms in Caithness are about to tender for contracts. How can these and other firms feel assured of the continued availability of rail services for the bulk long haul traffic for which there is no adequate and environmentally acceptable alternative? Colin Jones concludes by referring to railways on the Continent; but there at least, and also in the Irish Republic, stability and confidence in the railways' role in national growth have been most marked. If the Germans found oil in the Baltic, they would not close down the railway to Kiel and Flensburg—or even talk about doing it.

Andrew Gilchrist.
Bridge House, 27 Bank Street,
Inverness

Import quotas

From Mr. A. P. L. Minford.

Sir,—Samuel Brittan reminded us on December 11 of the merits of a market approach to the allocation of import quotas. This does already happen at the retail level where the imported goods are sold at prices competitive with the domestic product (that is higher prices than before). The essential attraction of this idea is at the level of the import merchant or agent who gets the quota. But here surely what we need is an auction system so that the revenue from the quotas goes to the Government (as with a tariff) and not to the merchant or the foreign exporter; simply allowing the sale of the quota would give the revenue to the original quota-holder and not the community.

A. P. L. Minford.
National Institute of Economic and Social Research,
2, Dean Trench Street,
Smith Square, S.W.1.

Prejudice and policy

From Mr. C. Drury.

Sir,—David Watt's article (December 12) was extremely interesting, but aided greatly by the table he produced, which I notice with cynical amusement was prepared with the aid of the Civil Service Department. It missed at least two vital points: 1) People of differing nationalities may have widely different bureaucracy tolerance levels. 2) International comparisons are notoriously misleading. Thus a "civil servant," in Germany, for example, may be a "local government officer" in Britain, simply because of differing degrees of decentralisation. If this is extensively the case then that part of the table purporting to show comparative civil servant saturation levels in Western Europe is totally meaningless.

As far as point 1 is concerned, I would suggest that one of the main reasons, but far from being the only one of course, for Britain's lacklustre industrial performance is that this nation of congenital individualists has quite simply been subjected to too much institutional collectivisation, whether it be in the form of big business, big government, big local authority or just, if you like, big brother. The wholly predictable response is a rising level of sullenness, bloody-mindedness and indolence. I think that a less reassuring conclusion would have been reached by David Watt, even than the one at which he did arrive, had he included those employed by local authorities in the scope of his article and its tabular accompaniment.

Whenever the public feels, as I reckon it now does, that the Civil Service has become the un-civil dominance, it isn't faintly impressed by the seemingly esoteric distinction between a civil central government "servant" and a civil local authority "servant." Moreover, despite the Swansea vehicle licence fiasco, the Inchinnan Bridge affair and now Chrysler, the evidence of quite wanton departmental proliferation and extravagence is so much more visually obvious at local, as opposed to central, government level, even if quite a lot of it does arise from functions newly delegated by central government, rather than those developed by the "localigarchy."

Charles H. Drury.
Erivial Pcch Isa,
Henllan, Denbigh.

Post Office advertising

From the Deputy Director of Public Relations, Post Office.

Sir,—Mr. Casey (December 6) need not be amazed at the Post Office advertising to encourage people to dial more phone calls abroad. What we are doing is good business sense.

The Post Office has invested millions of pounds in equipment to meet a demand, mainly from business customers, for a quick and easy overseas telephone service. At that time demand was doubling every four years—a phenomenal growth.

We know from our research that many people have little idea of the true cost of phoning abroad—nearly half the people we asked thought it was dearer than it really is. If as a result of advertising the Post Office increases overseas dialling by as little as 1 per cent., the cost of the advertising will have been paid for in two months.

I assure Mr. Casey that the Post Office is not trying to price the telephone service out of reach of its customers. In real terms, the cost of dialling a call from one end of the country to the other—under 10p for three minutes in the cheap period—is well under half what it was in 1955.

P. H. Young,
23, Howland Street, W.1.

Washday blues

From Mr. R. Dyett.

Sir,—I read with some interest your report (December 10) that British manufacturers of washing machines want the home market protected by import controls.

It is somewhat ironic that while the industry asks for protection, our largest washing machine manufacturer is busily importing refrigerators from Italy and freezers from Scandinavia, and was not averse to importing washing machines itself when hit by a strike last year.

As the biggest manufacturer of refrigerators and freezers in Britain is equally busily importing washing machines, perhaps the two companies should merge, or should we have import controls on refrigerators and freezers as well, in order to maintain equality between our leading companies?

In fact, figures published by the Association of Manufacturers of Domestic Electrical Appliances, show that U.K. manufacturers' total deliveries of washing machines to the home market were 9 per cent. up in the nine months to September 1975. It appears to be a decline in the twin-tub market that has caught the industry out, rather than any overall lack of demand. The easiest way to solve the problem might be for the industry to increase the production of automatic washing machines, offering the facilities that the public wants, rather than asking for Government protection.

R. Dyett.
11, Fircroft Gardens, Harrow.

Today's events

GENERAL

Prime Minister meets TUC nationalised industries committee for talks on railways and steel industry, 10, Downing Street.

BMA representatives of hospital consultants consider acceptability of Government proposals on private practice.

Council of Ministers of Organisation of African Unity begins three-day meeting on Angolan crisis, Addis Ababa.

Japan Automobile Manufacturers' Association ends two-day talks with Society of Motor Manufacturers and Traders, London.

Mr. Roy Jenkins, Home Secretary, receives honorary D.Litt. degree, Loughborough University.

Sir Lindsay Ring, Lord Mayor of London, attends Royal Socety of St. George banquet, Mansion House, E.C.4.

Memorial Service for Mr. William Hardcastle, St. Martin-in-the-Fields, W.C.2, 2.30 p.m.

PARLIAMENTARY BUSINESS

House of Commons: After adjournment debates, the House rises for the Christmas recess until Monday, January 12.

House of Lords: Second reading of Consolidated Fund Bill. The House then rises for the Christmas recess until Tuesday, January 13.

COMPANY MEETINGS

Barton Transport, Nottingham, 3.
Berry Trust, 16, St. Martins-le-Grand, E.C., 12.
Birmid Qualcast, Birmingham, 12.
British Debt Services, Manchester, 4.
Brycourt Investments, Churchill Hotel, W., 12.
Christy Bros., Chelmsford, 12.
Hepworth (J.), Leeds, 11.15.
Malayan Tin Dredging, 55, Moorgate, E.C., 12.
Ouvah Highfields, 21, Mincing Lane, E.C., 11.30.
Pochin's, Middlewich, Cheshire, 12.
Sandhurst Marketing, Crawley, 10.30.
Smith (Herman), Birmingham, 12.
Southern Malayan Tin Dredging, 55, Moorgate, E.C., 12.15.
Titaghur Jute Factory, Dundee, 12.
United Cocoa Development, 1, Great Tower Street, E.C., 10.30.

OFFICIAL STATISTICS

Gross domestic product (third quarter—provisional).

OPERA

English National Opera production of La Belle Hélène, Coliseum Theatre, W.C.2, 7.30 p.m.

D'Oyly Carte production of The Pirates of Penzance, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

BALLET

Royal Ballet dance Romeo and Juliet, Covent Garden, W.C.2, 7.30 p.m.

MUSIC

London Philharmonic Orchestra, conductor Daniel Barenboim, with Narciso Yepes (guitar) play works by Lutoslawski (concerto for orchestra), Rodrigo (Concierto de Aranjuez), and Tchaikovsky (Symphony No. 4 in F minor), Royal Festival Hall, S.E.1, 8 p.m.

Ravel, and Bernstein, Royal Albert Hall, S.W.7, 7.30 p.m.

English Chamber Orchestra, conductor Raymond Leppard, with Robert Tear (tenor) and Anthony Halstead (horn) perform Handel (Concerto Grosso in A) Vaughan Williams (Fantasia on a theme of Thomas Tullis), Britten (Serenade for tenor, horn and strings), and Tchaikovsky (Serenade for strings), Queen Elizabeth Hall, S.E.1, 7.45 p.m.

SPORT

Show jumping competition, Olympia.

COMPANY NEWS + COMMENT

Dobson Park profits advance to over £8m.

TAXABLE profit of Dobson Park Industries advanced from £5.39m. to £8.03m. for the year to September 27, 1975, and earnings per 10p share jumped from 4.4p to 6.6p.

The dividend total is raised from 1.627p to 1.736p with a final payment of 1.103p net.

	1974-75 £000	1973-74 £000
Total turnover	73,421	57,733
Mining machinery	36,639	26,719
Engineering	16,797	11,209
Kango	*11,948	8,464
Consumer	7,251	5,917
Construction	5,125	4,377
Property	671	567
Internal turnover	7,575	5,112
Trading profit	7,431	5,035
Mining machinery	2,917	2,222
Engineering	1,377	577
Kango	*1,530	1,067
Consumer	763	487
Construction	395	275
Property	549	427
Finance charges	133	38
Share assoc., etc.	†731	376
Profit before tax	8,029	5,373
Taxation	4,167	2,865
Net profit	3,862	2,528
Interim dividend	375	327
Final	637	612
Retained	2,830	1,589

* Include £1,186,000 (nil) in respect of Australian subsidiaries acquired at end-1974, profit of which is included with trading profits of overseas subsidiaries. † Includes 12 months for a continuing associate (ten months) and nine months for associates brought in for the first time or newly acquired.

The directors state that all divisions have recorded increased profits and sales. In particular the non-mining proportion of total profits has increased "considerably" as have foreign earnings from subsidiaries and associates.

Exports amounted to £14.21m. compared with £13.68m. which included the special order for China of £5.36m.

The cash position has improved by £982,000 despite the effects of inflation on working capital and capital expenditure of more than £2.5m.

The directors report that the current year has started well but in several areas of the group order books have shortened. In present conditions it is not possible to forecast this year's trading with any accuracy but budgets for 1975/76 indicate a holding year.

However, the high level of capital expenditure over recent years is being increased to an estimated £3.5m. and consequently as soon as there is a real return of industrial confidence, the group is poised to take full advantage of it.

During the year all the group industrial property has been revalued resulting in an increased valuation of £2.4m.

● comment

Dobson Park is 48 per cent. ahead pre-tax but slowing down in the current year. Overseas—say a quarter of the profits total last year, taking in export earnings the group is still firmly based, while at home the NCB orders background remains healthy: which must be a comfort, with 30 per cent. of profits arising from this source last year. But demand is getting patchy elsewhere in the U.K., notably in hammers. Still DP's balance sheet is as strong as ever with year-end borrowings now less than a tenth of shareholders' funds at £1½m. net. And at 43p a yield of 6.8 per cent. is covered 3.8 times.

HIGHLIGHTS

Problems in the housebuilding companies, along with a change in policy regarding the capitalisation of interest charges, have left MEPC with a loss of £3.6m. First-half profits at Cavenham are nearly a fifth higher thanks to strong growth in the EEC area in particular France, while the interim figures from DCL are much better than expected, following a strong export trend, excluding the U.S., and a good performance in the U.K.—the full-year's profits are expected to show a reasonable advance. A good export performance has also been seen at Rothmans (completing the Lex column) which along with the German subsidiary has left profits almost £6m. higher. Elsewhere Dana has made a bid for 50 per cent. of the 33m. shares it does not already own in Brown Brothers while the elimination of the loss makers in the U.K. has left S. W. Berisfords' profits some 23 per cent. higher on a sales gain of only 12 per cent.

Headway at Norton & Wright

FOR THE half year to September 30, 1975, taxable profit of Norton and Wright Group shows a £87,317 increase at £273,242.

The interim dividend per 10p share is raised from 1p to 1.067p net—last year's total was 3.128p from profits of £353,112.

	Half-year 1975 £	1974 £
Group sales	1,057,604	891,812
Trading profit	285,001	188,099
Interest paid	11,759	2,174
Profit before tax	273,242	185,925
Tax	142,000	93,000
Net profit	131,242	92,925
Interim dividend	22,291	21,250
Waived	12,678	—

The directors state that the increase in sales reflects the growth of the group's activities both in the home and export markets, while the profit margin indicates its efforts in controlling the level of costs.

The expansion policy continues with a new wholly-owned subsidiary in Belgium starting to trade and a further factory extension at Kirkstall Road opening early in 1976.

The company's interests lie in the production and distribution of fund-raising cards and schemes.

First half £1.2m. by Eucalyptus

THE "VERY GOOD" first half result foreshadowed for Eucalyptus Pulp Mills turns out to be a more than doubled taxable profit, up from £570,259 to £1,209,770.

The directors again point out, however, that the second half figures are not expected to be so good. Total profit for the year 1974 was £1.65m.

First half stated earnings per 25p share expanded from 8.2p to 17.9p.

The operating subsidiary has applied to the Portuguese authorities to remit to the U.K. its interim dividend, and provision has accordingly been made in the Eucalyptus accounts for an interim payment of 1.5p net per share (same)—a further announcement will be made when the application is granted. The total for 1974 was 4.62p paid from earnings of 22.1p.

The directors comment that the results show that the marked growth in the second half of last year has been maintained, although they do reflect an increase in terms of sterling as a result of changes in exchange rates.

The Joint and Several Guarantees referred to in the annual accounts and amounting at the end of 1974 to £3.2m. had been reduced by the time of the annual meeting in August to some £2.07m. and have now been further reduced to £1.73m.

In spite of the problems presented by the unsettled conditions in Portugal, both mills continue to operate satisfactorily, the directors report.

Illingworth-Morris downtrend

MANUFACTURERS OF wool and cotton textiles, Illingworth, Morris and Co. reports a decline in taxable profit from £881,000 to £777,000 for the six months to September 30, 1975.

Trading and general economic conditions continue to be difficult, but nevertheless the group expects to continue in profit in the current half-year, say the directors.

	Six months 1975 £000	1974 £000	Year 1974-75 £000
External sales	43,544	41,392	80,150
Home	20,097	20,322	38,197
Direct export	18,375	15,176	29,355
Indirect export	4,109	5,173	10,335
Overseas subsids.	963	721	2,263
Trading profit	2,255	2,712	5,040
Invest. income	150	163	323
Depreciation, etc.	548	481	982
Bank interest	1,080	1,513	2,750
Profit	777	881	1,638
Taxation	173	188	209
Minority	133	82	136
Available	471	611	1,285

The second interim dividend is 0.288p (same) making the total so far 0.853p against 0.822p net. Last year's total was 1.355p from profits of £1.63m.

● comment

Although Illingworth Morris's profits slide has continued into the current year, with first half profits 12 per cent. lower pre-tax, the signs are that the downturn has now reached bottom. U.K. demand is still very depressed, with de-stocking by multiple tailors continuing, but demand in the export markets is beginning to turn upwards—sales value here rose by 21 per cent. in the first half—and is largely responsible for the fact that the group now has order books stretching to over six months compared with just four months at the beginning of the year. However, for the full year an unchanged pre-tax profit is probably a maximum expectation and the immediate attractions of yield of 7.7 per cent. on the "A" shares at 28p, seem slight, especially in view of the group's high gearing. Current borrowings, although £1.8m. down on the £19.8m. of the last balance-sheet, still represent over 80 per cent. of shareholders funds.

Stenhouse turns in £5.09m.

GROUP PROFIT, before tax, of Stenhouse Holdings, decreased from £5.34m. to £5.09m. in the year to September 30, 1975, of which insurance broking interests contributed £4.6m., against £4.15m.

When reporting first-half group profit down from £2.26m. to £2.03m., the directors said it was unlikely that last year's record would be achieved.

Stated earnings per 25p share for the year decreased from 8.09p to 7.8p. A final dividend of 1.925p raises the total from 3.125p to 3.3p net.

Profits in the industrial division—pre-tax £1,482,000 (£1,574,000)—held up satisfactorily against a background of difficult conditions, the directors state.

CC

	1974-75 £000	1973-74 £000
INSURANCE BROKING		
Turnover	338,000	232,000
Attrib. Stenhouse*	154,000	137,000
Commission and fees	41,386	32,379
Operating expenses	33,738	26,674
Balance	7,648	5,705
Interest etc. income	954	1,790
Deductions†	162	35
Profit before tax	8,440	7,620
Attrib. Stenhouse*	4,597	4,151
INDUSTRIAL		
Turnover	26,000	22,000
Profit	1,452	1,574
Finance etc. costs	983	382
Total Stenhouse profit‡	5,094	5,343
Taxation	2,563	2,725
Net profit	2,531	2,618
Loss sale investments	114	123
Dividends	1,026	963
Extraordinary debits††	472	3,861
To reserves	919	§2,328

* Stenhouse 54.47 per cent. proportion. †Share associates (£000's omitted) 98 (£73), minority £80 (£76), amortisation of intangible assets £151 (£72). ‡Insurance broking £2,251 (£2,092) and industrial £312 (£813). ††Net currency realignments £347 (£50), provision for claim regarding merger agreement £106 (nil), loss on sale, etc. of Dominion Buildings nil (£3,715), other items £19 (£86). §From reserves.

Total tax applicable to insurance broking was (£000s omitted) £4,134 (£3,841) comprising U.K. £1,500 (£1,592) and overseas £2,634 (£2,249). The tax charge of £2,581 (£2,618) is the 34.47 per cent. attributable to Stenhouse.

● comment

Continued buoyancy from insurance broking, where profits are a tenth higher, has been offset by a shortfall from Stenhouse's industrial division and leap of 158 per cent. in holding company expenses. The problem within the industrial sector has been hosiery, where margin pressures resulted in a £0.2m. turnround into losses of £55,000. Meanwhile, the jump in holding company expenses to nearly £1m. includes £450,000 interest charges attributable to the purchase of the Dominion Building—a move which blotted the group's copy book in market eyes. So even though Stenhouse remains optimistic for its insurance broking side and at least a containing of the industrial division's problems, the market rating still reflects the damaging effect to the balance sheet of the Dominion purchase. Nevertheless, on recovery grounds Stenhouse's shares at 84p could deserve more than a p/e of 10½—two thirds the sector average—and a yield of 6.2 per cent.—a couple of points above the norm.

Dom Holdings downturn

On sales up from £2.2m. to £3.06m., first-half pre-tax profit of manufacturers of fixing products, Dom Holdings, decreased from £301,337 to £225,406.

Stated earnings per 10p share were down from 1.97p to 1.53p. The interim dividend is 1.3065p net, as before—last year's total was 3.51p from earnings of 3.52p.

First half profits were below expectation because of late deliveries of new plant and machinery resulting in unrecovered overheads at West Bromwich continuing at their previously high level; the need to sub-contract out high volume products at a substantial cost; and maintenance of higher than normal finished stock levels as a protective measure, the directors explain.

Since October 1, however, the under recovery of overheads has begun to drop significantly, as has also the volume of operations sub-contracted out. Further, significantly higher volumes of production in the unit are now being achieved, and it is envisaged that by February, 1976 the first phase of the investment programme will have been completed, with the unit's current machinery operating at near full capacity.

U.K. sales in the current second half are running slightly above those in the corresponding months last year. Export and overseas sales are showing a marked increase.

But it is unlikely that trading results for the year will show a resumption of their former high profitability on net sales, although the directors are satisfied the future of the group is more firmly based—over 80 per cent. of product sales is manufactured in house and secondly, overseas and export sales are showing a "healthy" growth rate. Profit for the year to March 31, 1975 was £545,574.

	Half-year 1975 £	1974 £
Turnover	3,054,261	2,303,130
Profit before tax	225,406	301,337
Taxation	110,899	153,690
Net profit	114,507	147,647
Dividends*	37,441	37,441
Retained	77,066	110,206

* Chairman Mr. D. O. McIntyre has waived dividend totalling £60,546.

SWB & Pauls Federated

Mr. Percy Jones, chairman of SWB, which is seeking the winding-up of Pauls Federated Merchants, said yesterday he welcomed the High Court order which would permit the company to continue to trade and to use its bank account, on a restricted basis, until January 12. Pauls is a subsidiary of British Dredging.

Mr. Jones said on behalf of SWB and of others holding 27 per cent. of the equity of Pauls, that it was no part of their intention to restrict the company's trading during the period of litigation. The order is procedural.

SWB was satisfied that its interests were now protected by the High Court. Mr. Jones stressed that the argument in SWB's petition was related to safeguarding the minority's interest in relation to actions taken by British Dredging.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Baker Perkins ....int.	1.5	Feb. 9	1.5	—(c)	3.25(d)
S. & W. Berisford	3.41	April 2	3.20	5.91	5.54
H. P. Bulmer ....int.	0.93	Feb. 9	0.88	—	2.65
Cavenham ....int.	1.46	March 17	1.34	—	3.88
Century Secs.	Nil	—	1.19	0.79(e)	1.89
Charterhouse Grp.	2.17	Feb. 20	2.17	3.05	3.05
Deanson	1.89	—	1.78	1.89	1.78
Distillers ....int.	2.01	Feb. 27	2.01	—	5.38
Dobson & Co.	1.51	Feb. 20	1.31	1.51	1.51
Dobson Park	1.11	March 5	1.06	1.74	1.63
Dom Hldgs. ....int.	1.31	Feb. 6	1.31	—	3.51
Matthew Hall ....int.	1.43	Feb. 12	1.31	—	5.28
Howard Tenens ....int.	0.74	May 4	0.74	—	1.69
Illingworth Morris 2nd int.	0.29	April 2	0.29	—	1.36
MEPC	Nil	—	2.75	Nil	4.0
A. Monk ....int.	1.25	Jan. 31	1.25	—	3.93
North Brit. Steel	0.98(b)	Feb. 20	0.89	1.38	1.28
Norton & Wright ....int.	1.07	Jan. 28	1	—	3.13
Petbow Hldgs. ....int.	2.5	Jan. 23	1.65	—(a)	5.09
Plysu ....int.	0.44	Feb. 2	0.4	—	1.04
Rothmans Intnl. ....int.	0.6	Jan. 29	0.54	—	1.52
Stenhouse	1.93	April 15	1.75	3.3	3.13
Trans-Oceanic	2.6	Feb. 13	2.3	3.65	3.35
Trustees Corpn. ....int.	1.2	Feb. 10	1.2	—	2.95
Utd. Scientific	1.76	April 12	1.73	2.61	2.43
Vaux Breweries ....int.	3.9	Feb. 2	3.35	—	12.85

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Total 7p forecast on capital to be increased by proposed placing. (b) Subject to Treasury approval. (c) Total of 3.25p forecast. (d) For 15 months. (e) For 16 months.

Baker Perkins £1.6m profit so far

WITHOUT THE effects of the three-day week and its attendant material increase in costs, and with the success of measures to improve the profitability of exports and to eliminate North American manufacturing losses, Baker Perkins Holdings has achieved a dramatic turnround in profitability.

In the half year ended September 30, 1975 profits before tax of £1.59m. have been turned in, compared with a loss of £297,000 in the six months to June 30, 1974. Nevertheless, says chairman Mr. I. H. Gilbert, there is still some way to go in order to achieve a satisfactory return in these inflationary times.

Baker Perkins Inc. incurred a marginal loss but should at least break even over the year. Its operational strength has been improved considerably and its financall position strengthened by a reduction in bank indebtedness.

	First half 1975 £000	1974 £000
Sales	31,453	25,396
Home	8,413	8,806
Export	10,899	7,150
Overseas	12,171	9,400
Trading profit	2,168	161
Associates	129	129
Interest paid	708	587
Profit before tax	1,589	*297
Taxation	437	111
Minorities	14	195
Extra-ord. credits	741	†68
Attributable	1,909	*251

* Loss. † Debits.

The low tax charge reflects tax losses of prior periods and extra-ordinary profits arise from the differences on re-alignment of currencies less the net cost of factory closures.

Group borrowings are £1.3m. lower than at March 31 in spite of the increase in sterling values of overseas borrowings. A significant part of the reduc[tion] occurred in North America.

Treasury consent has been [given] for at least maintenance of [the] 3.25p net dividend rate pa[id in] respect of the 15 months e[nded] March 31, 1975, when profits [were] £2.67m.

The directors expect the 19[75-76] profit to afford satisfactory [cover] for such a payment and [have] declared an unchanged interim.

● comment

Up 1p to 59p last night, [Baker] Perkins' shares have rise[n by] nearly four-fifths since the [pre]liminary statement in June [and] the current results show why. [Fol]lowing a marked cut-bac[k in] labour and administrative [over]heads, the U.S. operation returned a £50,000 loss befo[re tax] (after losing £1.4m. in the [pre]vious 15 months) and the [...] making activities in Canad[a and] Mexico have since been [discon]tinued. This suggests that [trad]ing profits elsewhere in the [group] may have trebled the 1974 figure. U.K. volume fe[ll sig]nificantly, perhaps by o[ne] quarter, but export sales [have] risen by 52 per cent. on th[e back] of strong biscuit machinery [sales] to the Middle East. Borr[owings] have fallen by a tenth in s[terling] terms since the end of th[e year] and overhead retrenchment [...] the entire group is lifting [its re]turn on capital employed [from] its recent inadequate level[s. Mar]ket estimates are for £4m [pre-]tax this year, indicating [fully] taxed earnings of 10.6p (the [group] has $3m. of unused U.[S. tax] losses); the yield is 8.7 per [cent.]

Statement Page 25

Petbow upsurge—share placing

FIRST HALF group turnover of Petbow Holdings, makers of generating and welding sets, has advanced by 84 per cent. to £8.06m. and taxable profits by 108 per cent. to £1.17m.

Also announced is a proposed placing of 1.2m. new Ordinary shares of 10p at 142p per share to raise abo— £1.66m. net.

The interim dividend for the current year to March 31, 1976, is lifted from 1.65p to 2.5p and the directors presently intend a final on capital, as proposed to be increased, of 4.5p, making a net total of 7p, against 5.085p. This is equivalent to an advance of 39 per cent. to 7.747p in the gross total, a level consented to by the Treasury in view of the placing.

Commenting on the first half results, chairman Mr. R. C. Bird, says that although the turnover and profits increases are records, the margin shows a slight decrease compared with that for the year 1974-75. For all that year turnover was £11.87m. and profits £1.82m.

Exports increased by 128 per cent. compared with the corresponding period last year, despite severe competition. The present order book, although shorter in June 1975, has an export content of 70 per cent. and the proportion for direct and indirect exports has exceeded this figure in recent months.

Although conditions are tougher than in the last year or so, Mr. Bird is confident that satisfactory results will continue to be produced.

The principal reason for the placing is to enlarge the equity base to facilitate future expansion including capital investment — initially, proceeds will be used to reduce bank borrowings.

The directors, who have been advised by Samuel Montagu and Co., consider funds can be obtained on more advantageous terms through a placing than through an issue by way of rights to shareholders. They and their family interests and trusts, who together own 67.4 per cent. of the issued Ordinary capital, have indicated they would not have been able to take up the major part of entitlements under a rights issue.

Samuel Montagu and Co. have conditionally agreed to subscribe or procure subscribers for the new shares which have been placed, in conjunction with L. Messel and Co., with institutional investors.

Mr. Bird proposes to retire as director and chairman in early 1976 and take up residence overseas—he is to become the first president of the company, will retain his shareholding and continue to be "much involved" in export sales. Mr. James Bird will be appointed executive chairman.

	Six months 1975 £	1974 £
Group turnover	8,058,985	4,387,711
U.K. exports*	4,700,068	2,061,595
Profit	1,167,970	560,190
Tax	607,344	286,812
Net profit	560,626	273,378
Extraord. debit	—	12,921
Attributable	560,626	260,357

* Includes deliveries to Australian subsidiary.

● comment

Petbow's exceptional growth rate remains unchecked and, after more than doubled interim pre-tax profits, the group could make £2.5m. this year. Exports have more than doubled to account for 58 per cent. of sales—the current order book ratio is 70 per cent. or more. Nevertheless, margins have been squeezed, partly by stiff competition in overseas markets and partly by the effect of a falling pound on the value of imported diesel engines. New alternator capacity is coming on stream in the current half but the background to the proposed £1.7m. placing must also include working capital requirements. At £8.2m. in March, net w[orking] capital amounted to over [...] cent. of sales, and borr[owings] which stood in a similar [ratio] to shareholders' funds, hav[e risen] by 57 per cent. to £3.8m [at] the year-end. The pros[pective] yield at 180p, up 1p last [night] is 6.8 per cent. and earni[ngs on] average capital could be 21p per share.

Vaux £0.36m. ahead

PROGRESS HAS been sh[own by] Vaux Breweries in the h[alf year] ended October 31, 1975, wi[th turn]over ahead £7m. to £28.4[5m. and] profits up from £1.83m. to [...]

	First half 1974 £000	197[...] £00[0]
Turnover	28,450	21,4[...]
Profit	2,730	2,5[...]
Finance charges	538	[...]
Profit before tax	2,192	1,9[...]
Estimated tax	1,067	9[...]
Extraord. credits	126	1[...]
Available	1,253	1,0[...]

Chairman Mr. D. Nichol[son says] turnover rose 33 per ce[nt.] "we enjoyed a good s[ummer] but inflation continues [to hit] margins. By far the la[rgest in]crease in costs has been th[e] extra duties paid to the [Govern]ment.

The interim dividend i[s raised] from 3.35p to 3.9p net [per] share, at a cost of [...] (£226,795). The directors [intend to] maintain the 9.5028p final [and] make no forecast.

● comment

Vaux Breweries' 20 per c[ent. pre-]tax advance is not as sp[ectacular] as recent results fro[m other] regional and major brew[ers but] then the comparable pe[riod was] less depressed. Trading [margins] have slipped by 1.2 p[oints but a] 5 per cent. gain in bee[r volume] and two separate price [rises] in May and October. A[n above] average commitment to [the free] trade—about 40 per cent [of] output—is paying off [at the] moment and offsetting [poor] performance on the re[tail side,] particularly in Scotland [...] interests have stayed [...] and a rise of several [points in] occupancy rates could [make up] for a slackening in func[tion busi]ness. Capital spend[ing on] brewery development re[mains on] target to be funded, e[ased] by the recent £4m. FFI [medium] term loan. At 285p a pr[ospective] yield of 7.7 per cent. [is at the] higher end of the sector.

At least £0.54m fr[om] Geo. Sla[...]

IN THE current year [to] March 1976, George [Sla...] hopeful of at least m[atching] last year's £542,00 profit.

Most sections of the [group] (makers of weighing [...] engineering componen[ts] still fully employed [and the] order load is being m[aintained] very satisfactorily, re[ports the] chairman, Mr. R. P. B[...]

At an EGM on Jan[uary ... a] four-for-one scrip issu[e will be] proposed.

At the same meeting [arrange]ments will be finalised [for the] acquisition of the minority interest i[n ...] Plastics from Mr. R. F[...,] a director of George [...,] in exchange for 5,500 shares and £20,000 cas[h payable] by four instalments ov[er ...]

Distillers looks for 'reasonable advance'

FIRST HALF turnover of The Distillers Company increased from £292.36m. to £341.21m., but pre-tax profit was down from £44.11m. to £42.51m. reflecting a substantial increase in interest charges of £6.63m.

The obscure economic outlook makes forecasting particularly hazardous at the present time but, subject to unforeseen circumstances, profit for the year as a whole should show "a reasonable advance" on the £71.02m. for the year to March 31, 1975, the directors state.

The profit is struck before crediting £823,000 (£1,311,000—£2,755,000 for the year) share of associate profit.

As before the interim dividend is 2.0125p net per 50p share. Last year's total was 5.381p.

	Half-year 1975 £000	1974 £000
Turnover	341,207	292,361
Depreciation	4,153	3,743
Exchange losses on loans	3,013	379
Gains on exchange	1,778	*717
Gain realsn. Invests.	1,694	—
Trading profit	47,646	46,533
Investment income	1,491	1,442
Interest charges	6,632	3,870
Profit before tax	42,505	44,105
Taxation	22,400	23,400
Minority	106	43
Share assoc.†	408	636
Balance	20,407	21,298
Extraordinary debit‡	523	1,019
Attributable	19,884	20,279
Interim dividend	7,309	7,309

* Losses. † After tax £415,000 (£675,000). ‡ Expenditure relating to settlement of Thalidomide claims.

The U.S. market remained depressed and, in common with the rest of the industry, shipments of Distillers' brands of Scotch whisky were well below the level of the comparable six months, which included shipments brought forward by fears of a longshoremen's strike, the directors state.

The effect of this shortfall upon total sales was largely offset by increased shipments of group brands to a number of other important export markets, and by exceptionally high sales in the U.K. in anticipation of a price increase on October 1.

The improved trading profit from Scotch whisky and gin was largely attributable to increased selling prices in both home and export markets. The gradual return to normal supplies of bottles and other packing materials was also a factor, the directors add.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:—Associated Tooling, Catalin, Cattle's Holdings, Cooper Industries, English Property, Greene King, Initial Services, Lindsay and Williams, Nova (Jersey) Knit, R. Paterson and Sons, Queens Moat Houses, Wallis and Co. (Costumiers), Woodrow Wyatt.

Finals:—Camford Engineering, Charter Trust and Agency, Bardya and Hansons.

FUTURE DATES

Interims:—

Butterfield Harvey	Jan. 7
Midland Educational	Dec. 23

Finals:—

Alexanders Discount	Jan. 19
Dewhurst and Partner	Jan. 13
Pyke (W. J.)	Dec. 23
Weyburn Engineering	Jan. 14

Clydesdale Investment policy

IN THE current circumstances the directors of The Clydesdale Investment Company think it right to be fully invested in equities with a modest element of gearing, says the chairman, Mr. J. A. Lumsden.

He points out that there are signs of increased economic activity in the U.S. Interest rates have been tending downward and there is unused industrial capacity, so it should be possible for economic activity to expand considerably without pushing inflation rates up again.

In the U.K. any recovery will have to come more slowly, "but we should obtain some benefit from any increase in world economic recovery, he adds.

Early in 1975 substantial sums were recommitted by the directors to the equity market, particularly overseas, so that by September 30 equity holdings had increased to 97.1 per cent. of net assets. No major changes have taken place in the geographical spread.

As reported last month with net asset values, net revenue for the year to September 30, 1975, was £820,111 (£897,828) and the dividend is 1.35p net (1.5p of which 0.25p was regarded as exceptional).

Not less than 1.35p is forecast for the current year even if large conversions of "B" shares take place in March. An unchanged interim of 0.5p has already been declared.

Meeting, Glasgow, January 12. fi-w

Chairman's Statement, Page 21

Plysu downturn midway

ON A MARGINALLY reduced turnover of £3.22m., pre-tax profit of Plysu decreased from £330,000 to £224,000 in the 28 weeks to October 10, 1975. The figures for the year to March 31, 1975 were £5.68m. and £491,000 respectively.

The low level of demand for blow moulded containers in the second half of last year extended well into the 28 weeks' period, says the chairman, Mr. C. S. J. Summerlin. However, the situation improved significantly after the first quarter of the current year and since then there has been a good level of activity in all sections of the operation.

Housewares continued to perform well and benefits of the additional products acquired from Ekco Plastics earlier in the year are being seen.

The factory extension contributed to an all round improvement in production methods which has offset, to some extent, the steady rise in costs.

The joint venture in Holland continues to show "great promise" although with progress somewhat slower than originally anticipated because of the economic situation. A small loss was incurred in the start up period to June "but we are well set to expand and prosper in Europe when conditions improve," the chairman adds.

He reports a steady demand for products which should enable achievement of a "satisfactory result" for the year as a whole.

The interim dividend is stepped up from 0.402p to 0.442p net per 10p share. Last year's total was 1.036p.

New corporate image for P & O Ferries

P and O Ferries, a subsidiary of the Peninsular and Oriental Steam Navigation Company, is introducing a new corporate image and a uniform identity for its U.K. and European passenger, car and freight ferry services. At the same time, emphasis will be placed on new direct drive-on/drive-off services with considerable freight potential.

A substantial part of P & O Ferries' effort is in giving timetabled freight links. New Dover-Boulogne and modernised Aberdeen - Lerwick services planned will both provide new opportunities for the haulier, while efforts are being made to cover Irish Sea freight capacity between Ardrossan, Larne and Belfast, without incurring losses.

In 1975 new modern freight-only ferries have been introduced on the Fleetwood-Larne and Fleetwood-Dublin services of another P & O company, Pandoro.

Mr. Ian Churcher, general manager for P & O Ferries, said that for the future, the aim will always be to try to anticipate the market trends. In so doing, "we will be providing the services required by our customers and ensuring the profitability of P & O Ferries, and hence providing a secure future for our employees at all levels."

Bridport Gundry

Chairman of, net makers, Bridport-Gundry (Holdings), Mr. R. G. P. Besley tells members in his annual statement that unsatisfactory conditions in the fishing industry continue and in the year to July 31, 1975, resulted in reduced contributions from the company's Scottish and Irish subsidiaries.

Action is progressing in these areas to rationalise the company's commitments in accordance with expected prospects.

As reported on November 13, pre-tax profit for the year fell from £973,662 to £723,279. The dividend is 1.0356p (adjusted 0.9851p) net.

The chairman points out that the company's subsidiary in Vancouver, Gundry Bilmac suffered from increased borrowing charges together with widespread strikes in most of the industries served and that such conditions still persist.

He says that he is confident that the development, by the associate company Gourock Industries, of a custom-built factory and warehouse at Boucherville will in the medium-term, prove to be a valuable investment.

Cash flow in the year under review has been "satisfactory," he adds.

Mr. R. W. Holder has indicated his willingness to become chairman when Mr. Besler retires in March, 1976.

Meeting, Bridport, on January 15 at noon.

EXPANDED METAL

Expanded Metal has acquired the exclusive licence rights for the U.K. and other areas of the Explosafe system of explosion prevention. This is a system based on containers being packed with an extremely lightweight expanded aluminium foil without any significant reduction to capacity and prevents the explosion of volatile fluids and vapours stored or transported in them.

Better year for Caravans

AT PRESENT the background to trading in the U.K. is "almost incalculable," says Mr. S. Alper, chairman of Caravans International.

But following the reorganisation, the current year should show improvement and should not result in a significant loss in the U.K. The growth in overseas sales has been a source of strength but Mr. Alper stresses that in 1974-75 U.K. results had a disproportionate effect on the group as a whole.

Overall, the group should produce markedly better results this year. Both the German and South African operations are well-founded and seem set to maintain their profit; the New Zealand associate should also do well.

The U.K. market for caravans declined substantially last year, the VAT increase causing a dramatic fall-off in sales. As a consequence of reorganisations, the number of the group's U.K. employees is now rather less than half the number a year ago, and the Bluebird factory at Parkstone and the Pines at Newmarket put up for sale—Pines has been sold since the year-end.

As reported on December 16, profits for the year ended August 31, 1975 were £1.25m. (£0.55m.). But after substantially heavier tax and minorities, extraordinary debits less credits, there was a net loss of £0.42m. (profit £19,800). The dividend is 0.2p (0.7p).

U.K. trading losses and exceptional debits could not be set against the profits of overseas companies for tax purposes.

Despite all its problems the group did not have serious liquidity difficulties. Net tangible assets at August 31 stood at £7.17m. (£7.72m.).

Meeting, Great Eastern Hotel, E.C., January 8, at noon.

Mitchell Somers

Mr. L. J. Thomas, chairman of Mitchell Somers, says that the directors are not discouraged by overall prospects for the current year despite the difficult trading conditions in the company's die block business.

As reported on December 12 pre-tax profit for the half year to September 27, 1975 expanded from £443,000 to £602,000. The interim dividend is 0.43p (0.35p) net.

The cash position has improved further so that bank overdrafts at the end of September 1975 totalled £320,000 compared with £821,000 on March 29, 1975.

More from Trans-Oceanic

GROSS REVENUE of the Trans-Oceanic Trust improved to £989,608 from £897,152 in the year to October 31, 1975, and the pre-tax balance advanced from £624,343 to £727,211, after expenses and interest of £262,397 against £272,809.

Tax takes £288,351 (£221,652) leaving net revenue of £438,860 compared with £402,691.

Earnings per 25p share are shown at 3.97p against 3.64p and the net dividend total is lifted from 3.35p to 3.65p per share, with a final of 2.6p.

Arenson sees good recovery

THE CHAIRMAN of Arenson (Holdings), Mr. Archy Arenson, told shareholders at yesterday's annual meeting that turnover for the first half of the present year should be around the level of the comparable period last year, although due to much reduced production levels "profits for the period will . . . be only minimal."

Nevertheless, he was confidently looking forward to a recovery in profits in the second half, as it was intended to increase production levels substantially from the end of February.

Mr. Arenson added that results for the whole of this year should show a reversal of last year's downward trend—group profits fell from £868,588 to £317,537 in the year ended July 31, 1975.

"I am reliably anticipating a good recovery in group profits during the year 1976/77," the chairman declared.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
U.S.$	F.P.	—	$13¼	$12¼	Brazil Fund S.A.	$12¾	—	—	—	—	—
[illegible]	F.P.	7/11	[illegible]	260	Rand... Mining 20c	270	−5	—	—	—	—
—	F.P.	—	£54⅛	£29¾	Hughes Tool $1	£34⅛	+1⅛	Q40c	—	0.5	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1975 High	Low	Stock	Closing Price	+ or −
99¼	£50	30.1	50⅝	49½	Bristol (City of) 13¾% Deb. Stk. 1981	50⅝	+¼
99½	£50	11.2	51	49⅛	Coventry (City of) 15% Red. Stck. 1980	51	+½
98	£10	23/1	12	11⅛	Essex Water 9% Red. Pref. 1981	11¾	......
[illegible]	F.P.	15/10	13⅛	11⅜	Haslemere Est. 9¾% '95	122	+2
100	F.P.	9/1	101¾	99⅞	Islington 15% Red. Stk. 1980	101¾	+¼
100	F.P.	9/1	97¾	97½	Do. 15% Red. Stk. 1982/6	98½	+¼
US$100	50	—	870p	825p	Jardine Math. 7¾% Conv. Uns. 1990	825p	−15
[illegible]	F.P.	28/11	100	85¾	Lee Valley Water 8% Red. Pref. 1980	99	......
US$100	F.P.	—	100	99½	Midland Bank Float Cap Notes '82	100	......
C$100	F.P.	—	93¼	88	Noranda 9¾% Notes 1980	$C98¼	......
US$100	F.P.	—	102½	98	Do.	$US.102¼	......
98	£25	23/1	[illegible]	26	Norcros 15¾% Deb. 1990/95	27¾	+¼
100	—	—	95	92	Pentos 15% Conv. Uns. 1995	92	......
50p	F.P.	17/11	50½p	45p	Single 10% Cum. Conv. Pref.	46½	......
100	F.P.	28/11	120	100	Spirella 14% Conv. 1990	108xd	......
US$100	F.P.	—	92	92	Trans Union Fin Can 10½% notes 1990	$C.98	......
98	F.P.	31/10	99½	96½	York Waterworks 9% Red. Pref. 1980	96½xd	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date		1975 High	Low	Stock	Closing Price p	+ or −
100	F.P.	19/12	30/1	180	160	Anglo-Aut Asphalt	178	......
836	Nil	16/1	—	55	44	Bank of Nova Scotia	49pm	−5½
33	F.P.	5/12	7/1	62	51	Berry Wiggins	51	......
285	F.P.	12/12	16/1	365	332	British Home Stores	336	+2
32	F.P.	12/12	12/1	55	47	Capper-Neill	51½	−½
10	F.P.	3/12	9/1	22½	18	Charles (David)	19	......
55p	F.P.	24/11	8/1	67	59	Debenhams	65	+1
25	Nil	—	—	36	35	Ellis & McHardy	35pm	......
60	Nil	—	—	—	—	Fairey	6¼pm	......
90	F.P.	12/12	9/1	125	110	Fenner (J.H.)	125	......
67	Nil	—	—	—	—	Green's Economisers	22pm	......
475	F.P.	1/2	7/1	887½	775	Harrisons & Crosfield	875	......
53	F.P.	15/12	12/1	86	64	Hunting Assoc. Inds.	84	+2
60p	F.P.	5/12	5/1	100	90	Hestock Johnsen	92	......
10p	F.P.	17/12	16/1	130	121	Kwik Save Discount	126	+1
10p	Nil	2/1	23/1	28	28	Lennons Group	27pm	......
10	Nil	22/12	20/1	21½	19	Lighting & Leisure	21pm	......
68	F.P.	19/12	16/1	78½	75	Mowlem (J.)	75	......
1.50	Nil	30/1	13/2	155	125	Nat. Bank of Aust.	138pm	+2
10	F.P.	17/12	7/1	27	25	Pontins	26½	−½
50p	Nil	31/12	5/2	8	6	Pullman (R. & J.)	6pm	......
10p	F.P.	24/11	30/1	59	55	Raybeck	56	......
92	F.P.	19/12	30/1	130	116	Runciman (W.)	128	+1½
38	F.P.	19/12	21/1	45½	32½	Spillers	42	......
20	F.P.	12/12	16/1	70	64	Watson & Philip	66	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♥ 29 S.Afr. cents. ‡ Rights offered to holders of Ordinary shares as a "rights." ♦ Reintroduced. ‡‡ Issued by way of capitalisation. †† Tender allotment price. ♣ Introduction. ♠ Issued in connection with reorganisation, merger or take-over. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

Charterhouse Group drop is £2.75m.

PROFITS FOR the year ended September 30, 1975, from the Charterhouse Group have followed the trend expected. They show a substantial recovery to £3.64m. in the second half when compared with the first, but are £2.75m. down on the year at £5.1m.

Banking and financial activities experienced a substantial drop from £2.08m. to £0.77m. An increase in interest payable reflects the cost of additional borrowings made late in 1974, and includes the cost of financing the acquisition of Charterhouse Investment Trust. These borrowings were progressively reduced and at September 30 totalled £39m., compared with £45m. earlier.

Earnings per 25p share before extraordinary items are shown at 3.6p (6.72p). The final dividend is 2.175p for an unchanged 3.05p net total.

	1975 £000	1974 £000
Profit before interest	9.937	12.109
Develop., venture capital	1.881	2.224
Banking, financial	774	2,029
Manufacturing	4,037	4,871
Distribution services	2,497	2,311
Insurance broking	1,567	1,229
Central expenses	759	585
Interest payable	4,832	4,254
Profit before tax	5,105	7,855
U.K. tax	1,503	3,293
Overseas tax	711	527
Associates tax	287	160
Minority loss	10	*46
Net profit	2,524	3,839
Extraord. profit	†330	‡1,690
Preference divs.	124	121
Ordinary divs.	2,047	1,883
Over provision	‡482	—
To reserves	1,158	135

* Profit. † Arises principally from profit on sale of a minority in Glanvill Enthoven and from exchange rate gains: against these are set losses on sale or termination of certain trading activities. Premium on the acquisition of subsidiaries written down by £1,043,000. ‡ Debit. § For 1973-74 dividend re scrip issue.

Group turnover came to £114.1m., against £105.5m., excluding development and venture capital and banking activities.

Commenting on the results the directors state that although development capital realisations in the U.K. were at a higher level, it was necessary to make provisions against two investments in France. Profits from the North American operations were maintained.

The bank, after transfers to inner reserve, maintained its operating profit, but did not benefit from the same level of special profits arising from dealing in securities. A high degree of liquidity was maintained.

Newage Engineers substantially increased its sales, particularly in the export market, and raised its profit by 60 per cent. Alenco also expanded its export sales and its overall profit.

The recession affected some of the manufacturing activities, particularly Charcon. Although Charcon Products maintained its profits, Structures and Pipes and Tunnels were badly affected by the recession in the construction industry, and incurred losses.

In the distribution and services activity, Spring Grove achieved a substantial increase in its profits, but Edmundsons was affected by the recession and its profits were lower.

Glanvill Enthoven, earning nearly 50 per cent. of its brokerage abroad, increased its profits.

● comment

Charterhouse Group has achieved the substantial second half recovery forecast at half-time, but pre-tax profits for April-September were still 21 per cent. below those of the comparable period, and the unchanged dividend is covered only 1.2 times. With pre-tax profits 35 per cent. down for the year, the major declines have occurred in the financial division, where the previous year's dealing profits in the bank have been absent and there were losses on property holdings around Aberdeen, and in manufacturing, where parts of the Charcon construction components side have dipped into the red. Some improvement is likely at Charcon in the current year, but the recently buoyant engineering side may lose momentum temporarily, and an important question for the overall trend is whether the financial areas will bounce back. At least overall borrowings have been moving lower, and the development capital side is now searching out investment opportunities again after a fallow period in which Charterhouse was conserving its resources. At 54p the shares are leaning on the yield of 9.0 per cent. pending evidence of a recovery trend.

Howard Tenens setback

A TURNROUND from a pre-tax profit of £612,000 to a loss of £170,000 is reported by Howard Tenens Services for the half year to September 30, 1975, on a turnover slightly lower at £18.79m.

After allowing for £195,000 (nil) costs for setting up new engineering projects, and after minorities, etc., there is an attributable loss of £384,000, compared with a profit of £554,000.

As before the interim dividend is 0.737p net per 20p share. Last year's total was 1.689p from a profit of £896,000.

	Half year 1975 £000	1974 £000
Turnover	18,792	19,328
Pre-tax loss	170	*612
Share loss assoc.	68	—
Costs new projects	195	—
Minority loss	49	*58
Loss attrib. holders	384	*554

* Profit.

The chairman, Mr. P. S. Harford, states that current cash flow forecasts indicate that present facilities will be adequate for needs while profitability is being established.

Despite measures taken, it is likely a further loss will be made during the second half, but he anticipates a return to a profitable basis for 1976-77.

The directors have decided to declare an unchanged interim dividend and to review the position when the time arrives for consideration of the final.

The company is engaged in export packing and manufacture of packing cases, pressings and motor bodies.

Cavenham profit growth

SALES OF the food, drink and tobacco, etc. group, Cavenham, increased from £800.3m. to £945.8m. in the 32 weeks to Nov. 8, 1975, and pre-tax profits advanced from £16.8m. to £19.9m. For all the year to March 29, 1975 profit was £27.1m. on sales of £1,386.3m.

Stated eranings per 25p share for the 32 weeks were 10.4p (9.2p) and 9.9p (8.8p) diluted. The interim dividend is raised from 1.34p to 1.4625p net—last year's total was 3.879p from earnings of 15.7p—14.9p diluted.

The growth in sales value of 18 per cent. in the 32 weeks reflects an increase of 13 per cent. in the U.K. against 21 per cent. overseas. By contrast the pre-tax profit growth, also 18 per cent. overall, reflects a largely unchanged position in the U.K. compared with a 30 per cent. increase overseas. France in particular showed marked growth, chairman Mr. J. Goldsmith reports.

Following the policy of concentrating resources and efforts on mainstream activities, a number of assets have been disposed, incurring certain extraordinary losses net of exchange profits of £1.6m. (£0.5m. losses for 1974/75). This should be largely counterbalanced by extraordinary profits expected in the second half.

	32 weeks 1975 £m.	*1974 £m.	Year *1973-74 £m.
Sales	945.8	800.3	1,386.3
Trading profit	26.9	23.9	39.1
Interest	7.0	7.1	12.0
Profit	19.9	16.8	27.1
Tax	7.6	6.1	9.5
Minorities	3.8	3.0	4.4
Pref. dividends	0.2	0.2	0.3
Attrib. Ord.	8.5	7.5	12.9

* Restated.

The disposals have reduced group borrowings and increased cash resources. The effect of disposals on sales, pre-tax profits and interest charges is fairly minor in the interim results, since for the most part they took place towards the end of the period.

The interim figures for 1974/75 have been restated in line with acounting policies detailed in the last annual report.

See Lex

North Brit. Steel tops forecast

AGAINST a midway forecast—when a rise from £236,568 to £312,251 was reported—of profits comparable with 1974 North British Steel Group announces a pre-tax increase from £308,431 to £572,662 for the year to September 27, 1975, on turnover up from £4.41m. to £5.85m.

Earnings per 25p stock unit are shown to have advanced from 4.6p to 5.3p and subject to Treasury approval the dividend is stepped up from 1.25625p to 1.38125p net with a final payment of 0.975p.

After tax of £287,428 against £261,500 the net balance comes through ahead from £246,931 to £285,234.

The company operates as steel founders and engineers.

Earnings improve at Delson

BOLT AND NUT makers and distributors Delson and Co. reports an advance in profits from £366,070 to £389,989, subject to tax of £192,296, against £196,274, for the year to July 31, 1975.

After the first six months, profits had risen from £183,660 to £220,300, but the directors, in their interim statement, said that results for the full year were not expected to continue at the same rate as for the first half.

Earnings per 10p share for the year are shown to have improved from 6.8p to 7.9p. The dvidend is again 1.5075p net per share.

H. P. Bulmer forecasts doubled profit

AFTER TWO years of static profit performance due to the adverse effects of inflation and price controls, turnover value of H. P. Bulmer increased by 45 per cent. to £12.84m. and trading profits almost doubled to £2.4m., in the half year to October 24, 1975.

The turnover was achieved without incurring extra interest charges, and as a result pretax profits at £1.83m. are almost three times those earned in the first half of last year, and are in excess of the £1.26m. for all the year to April 25, 1975.

And chairman, Mr. P. Prior, forecasts the full year's profits "about doubled those achieved for 1974-75."

Last September he said that profits for 1975-76 were expected to show a substantial increase over 1974-75, with most of the increase arising in the first half.

Stated first half earnings per 25p share increased from 3.23p to 8.34p—8.39p including extraordinary items—and the interim dividend is stepped up from 0.875p to 0.9334p net. A maximum permitted total is intended. Last year's total was 2.6534 from earnings of 6.31p—6.06p after extraordinary debits.

	Half year 1975 £000	1974 £000	Year 1974-75 £000
Cider & pectin sales	12,607	8,661	17,387
Wines & spirits	235	167	442
Total turnover	12,842	8,828	17,829
Cider & pectin profit	2,383	1,200	2,460
Property	—	7	8
Wines & spirits	17	10	26
Total trading	2,399	1,217	2,494
Interest payable	432	463	1,029
Minority	2	2	3
Orchard developmt.	123	96	191
Other items	*7	*8	†17
Profit	1,833	‡646	1,260
Taxation	993	319	623
Net profit	840	327	637
Extraord. items	*5	—	†23
Pref. div.	3	3	5
Attributable	842	324	607

* Credit. † Debit. ‡ Due to what later proved to be an unduly prudent view of container costs comparable pre-tax profits restated at £646,000, instead of £433,000 as originally reported.

Cider sales were boosted by the good summer weather and continue to show a marked improvement. All brands showed "excellent" growth and the recent supply agreement with the Grand Metropolitan Group has been particularly beneficial, says Mr. Prior.

Pectin activity suffered from excess world capacity, exports have fallen and have been made at lower prices than those of last year. Exports are expected to improve in the second half.

The intended reduction in property development activity is being achieved only slowly and in the first half it broke even, compared with a small profit last year.

Cash flow has been satisfactory in the half year and borrowings at October 1975 were about £1.5m. less than the level at October 1974.

● comment

H. P. Bulmer now looks certain to lift its full year profits off the plateau, which has been apparent for the past four years. Indeed, after pushing half-time profits more than £600,000 above the level achieved for the whole of 1974-75 the current year forecast of £2½m. pre-tax—implying only a modest improvement in the second half—looks conservative, especially since the 21 per cent. rise in first half volume has apparently been maintained so far in the current half-year. A full-year total of around £2.7m. is probably a more realistic expectation and with borrowings expected to be down from £7.2m. to under £5m. by the year end, the shares at 83p (up 4p yesterday) yielding 4.8 per cent., on a prospective p/e of 7.1 per cent., are not over-valued.

Peak year for Utd. Scientific

REPORTING pre-tax profit up by 85 per cent. to a record £871,402 for the year to September 30, 1975, Mr. J. D. Robertshaw, chairman of United Scientific Holdings, says prospects for the current year are excellent and profits should exceed £1m. bar unforeseen circumstances.

Sales in the past year were a record, climbing by 68 per c[illegible] to £7.15m.

Earnings per 25p share impr[illegible] from 4.52p to 8.57p basic and [illegible] diluted from 4.32p to 7.75p [illegible] a final dividend of 1.761p lifts net total from 2.45p to 2.811p.

At the interim stage, [illegible] profit was up from £225,58[illegible] £333,425, Mr. Robertshaw said directors anticipated substa[illegible] growth in the second half. [illegible] he comments that developme[illegible] new products and the comp[illegible] growing reputation world [illegible] helped to ensure that sales [illegible] profits reached new peaks. [illegible] company supplies optical, scie[illegible] and electronic equipment.

Even allowing for inflation, results are evidence of signif[illegible] growth, the chairman stress[illegible] pressure on margins in the [illegible] continues, but there wa[illegible] "dramatic" growth in ex[illegible] sales.

The present order book is in excess of £11m., almost ha[illegible] which is for direct export.

Mr. Robertshaw also repo[illegible] significant change in the bal[illegible] sheet—40 per cent. of the [illegible] stock has been redeemed d[illegible] the year at a cost of less than face value, which has incre[illegible] net assets by £157,000. Net a[illegible] per share have almost do[illegible] and are now 19.6p.

In addition, bank borrowin[illegible] been eliminated—a net over[illegible] of £900,000 has been replace[illegible] £270,000 on deposit at the end.

	1974-75 £	[illegible]
Group turnover	7,149,065	4.[illegible]
Profit	871,402	
Corporation tax	482,412	
Net profit	388,990	
Minority credit	12,766	
Available	401,756	
Dividends	122,379	
Extraord. credit	157,259	
Retained	436,636	

CLYDE PAPER

Clyde Paper states that pa[illegible] of the dividend on the 5.2 [illegible] cent. Cumulative Prefe[illegible] shares due on January 1 has [illegible] postponed.

INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudit[ed].

Total Assets less current liabilities (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges: at nominal value (6)	at market value (7)	Investment Currency Premium (see note g) (8)
	VALUATION MONTHLY			Pence except where £ stated (see note d)			
123.2	Alliance Trust	Ord. Stock 25p	28/11/75	5.25	224.6	235.5	43.1
20.1	Capital & National Trust	Ord. & "B" Ord. 25p	28/11/75	*3.25	123.4	127.3	20.3
7.4	Claverhouse Investment Trust	Ordinary 50p	28/11/75	2.6	74.5	74.5	1.0
7.5	Crossfriars Trust	Ordinary 25p	28/11/75	2.4	73.3	73.3	–
5.5	Direct Spanish Telegraph	Ordinary 25p	28/11/75	3.5	59.6	59.6	3.2
12.3	Dundee & London Investment Trust	Ordinary 25p	28/11/75	1.85	62.6	64.4	3.1
68.5	Edinburgh Investment Trust	Deferred £1	28/11/75	4.85	205.6	224.1	40.0
34.6	First Scottish American Trust	Ordinary 25p	1/12/75	2.2	x91.8	95.6	19.2
†	Grange Trust	Ord. Stock 25p	28/11/75	†	†	†	†
53.8	Great Northern Investment Trust	Ordinary 25p	28/11/75	3.06	103.9	109.0	10.4
51.0	Guardian Investment Trust	Ordinary 25p	28/11/75	1.75	83.3	88.6	10.2
72.2	Investment Trust Corporation	Ordinary 25p	28/11/75	4.527	212.7	219.6	44.6
†	Investors Capital Trust	Ordinary 25p	28/11/75	†	†	†	†
12.5	Jardine Japan Investment Trust	Ordinary 25p	31/10/75	0.85	123.7	123.7	17.6
5.4	Kingside Investment Co.	Ordinary 25p	28/11/75	1.75	51.3	52.4	1.9
27.1	London & Holyrood Trust	Ordinary 25p	28/11/75	2.55	114.8	119.6	22.0
19.3	London & Montrose Investment Trust	Ordinary 25p	28/11/75	4.0	191.7	186.9	38.4
36.9	London & Provincial Trust	Ordinary 25p	28/11/75	2.4	112.8	115.9	22.4
90.7	Mercantile Investment Trust	Ordinary 25p	28/11/75	1.61	x36.9	x42.9	2.7
	Do. Do.	Conv. Deb. 1983	28/11/75	£4.50	£58.50	£64.60	£4.10
40.6	Northern American Trust	Ordinary 25p	1/12/75	2.3	x96.1	101.9	20.5
5.2	Save & Prosper Linked Inv. Trust	Capital Shares	1/12/75	–	108.5	108.5	–
40.7	Scottish Northern Investment Trust	Ordinary 25p	5/12/75	2.3125	86.2	96.5	15.4
82.6	Scottish United Investors	Ordinary 25p	30/11/75	§1.67	90.5	95.6	24.2
40.4	Second Alliance Trust	Ord. Stock 25p	28/11/75	4.3	191.0	202.2	37.1
2.9	Shires Investment Co.	Ordinary 25p	30/11/75	5.6	114.4	114.4	–
32.6	Sterling Trust	Ordinary 25p	28/11/75	3.85	x174.1	185.4	32.6
21.7	Technology Investment Trust	Ord. & "B" Ord. 25p	28/11/75	*2.0	105.0	106.2	21.4
60.2	United British Securities	Ordinary 25p	28/11/75	6.4	259.0	262.1	44.4
	Baillie Gifford & Co.						
93.4	Scottish Mortgage & Trust	Ordinary 25p	30/11/75	2.3	121.0	123.8	26.3
71.9	Edinburgh & Dundee Investment	Ordinary 25p	30/11/75	2.7	150.3	154.9	34.5
45.8	Monks Investment Trust	Ordinary 25p	30/11/75	1.05	54.1	55.6	11.5
†	Winterbottom Trust	Ordinary 25p	30/11/75	†	†	†	†
	Baring Bros. & Co. Ltd.						
31.5	Outwich Investment Trust	Ordinary 25p	27/11/75	1.8	101.0	110.8	14.8
21.0	Tribune Investment Trust	Ordinary 50p	25/11/75	8.5	787.2	793.6	200.0
	Cripps Warburg Ltd.						
13.3	Sizewell European Inv. Trust	Ordinary 10p	30/11/75	1.4	96.5	96.5	16.1
2.7	Atlanta, Baltimore & Chicago	Ordinary 10p	30/11/75	0.15	w30.1	w30.1	w9.6
3.3	West Coast & Texas Regional	Ordinary 10p	30/11/75	0.45	w59.6	w59.6	w10.2
	Edinburgh Fund Managers Ltd.						
55.6	American Trust	Ord. & "B" Ord. 25p	28/11/75	*1.35	42.3	44.4	2.5
14.4	Crescent Japan Investment Trust	Ordinary 50p	28/11/75	–	128.1	128.1	18.2
	Electra House Group						
138.4	Cable Trust	Ordinary 25p	28/11/75	4.2	159.4	160.4	12.7
	Do. Do.	Conv. Ln. Stk. 1985/90	28/11/75	£6.25	£130.60	£131.50	£10.40
58.0	Electra Investment Trust	Ordinary £1	28/11/75	19.2	881.5	902.4	98.4
115.5	Globe Investment Trust	Ordinary 25p	28/11/75	2.7	x107.6	x110.5	x7.7
	Do. Do.	Conv. Loan 1987/91	28/11/75	£5.50	£85.30	£87.50	£6.10
19.6	Telephone & General Trust	Ordinary 25p	28/11/75	6.5	x186.5	x198.1	x10.1
	Do. Do.	Conv. Loan 1987/91	28/11/75	£6.00	£74.80	£79.40	£4.00
9.2	Temple Bar Investment Trust	Ordinary 25p	28/11/75	4.5	130.6	134.1	7.4
	Do. Do.	Conv. Loan 1985/90	28/11/75	£5.75	£104.50	£107.20	£5.90
	F. & C. Group						
13.8	Alliance Investment	Ordinary 25p	15/11/75	3.87	204.1	215.5	35.3
16.7	Cardinal Investment Trust	Deferred 25p	28/11/75	4.25	x172.6	183.6	23.6
	Do. Do.	Conv. Loan 1985/87	28/11/75	£6.00	£93.80	£99.20	£12.80
4.7	F. & C. Eurotrust	Ordinary 25p	28/11/75	0.5	63.0	63.0	20.2
130.4	Foreign & Colonial Inv. Trust	Ordinary 25p	28/11/75	2.412	165.4	176.0	39.9
22.2	General Investors & Trustees	Ordinary 25p	28/11/75	2.8	111.9	118.1	12.5
	Gartmore Investment (Scotland) Ltd.						
56.9	Scottish National Trust	Ordinary 25p	30/11/75	2.75	152.9	158.8	28.4
14.6	Glasgow Stockholders Trust	Ordinary 25p	30/11/75	2.8	161.9	169.6	32.3
	John Govett & Co. Ltd.						
64.9	Border & Southern Stockholders Tst.	Ordinary 50p	28/11/75	4.8	w299.1	309.2	w48.9
30.0	Debenture Corporation	Ordinary 25p	28/11/75	2.3	90.0	94.7	14.4
8.8	General Stockholders Inv. Trust	Ordinary 12½p	28/11/75	1.125	101.0	114.3	23.5
17.8	Govett European Trust	Ordinary 25p	28/11/75	1.6	86.4	86.4	32.7
47.4	Lake View Investment Trust	Ordinary 25p	28/11/75	1.5	92.5	97.7	15.0
	Do. Do.	Conv. Loan 1973/98	28/11/75	£4.00	£123.30	£130.30	£20.00
25.4	London & Aberdeen Inv. Trust	Prefd. & Defd. 5p	28/11/75	1.55	144.2	157.1	23.0
48.0	Stockholders Investment Trust	Ordinary 25p	28/11/75	1.45	94.2	100.5	17.7
	G.T. Management Ltd.						
12.2	Berry Trust	Ordinary 25p	30/11/75	0.625	x50.1	x51.4	x6.7
	Do. Do.	Conv. Loan 1993	30/11/75	£4.25	£72.60	£74.50	£8.70
5.8	Northern Securities Trust	Ordinary 25p	30/11/75	2.45	110.2	119.4	16.1
9.9	G.T. Japan Investment Trust	Ordinary 25p	30/11/75	0.5	125.2	125.2	26.0
	Hambros Group						
19.5	Bishopsgate Prop. & Gen. Inv. Tst.	Ordinary £1	28/11/75	1.0	90.8	107.4	–
17.9	Bishopsgate Trust	Ordinary 25p	24/11/75	4.0	179.8	191.9	13.8
2.8	City of Oxford Investment Trust	Ordinary 25p	28/11/75	2.2	55.4	61.3	–
35.3	Hambros Investment Trust	"A" & "B" Ord. 25p	28/11/75	*4.25	92.5	106.9	10.3
10.1	Hellenic & General Trust	Ordinary 10p	28/11/75	0.67	44.1	52.8	–
4.6	Rosedimond Investment Trust	Cap. Shares 25p	24/11/75	–	58.5	58.5	6.2
	Henderson Administration Ltd.						
102.2	Witan Investment	Ord. & "B" Ord. 25p	25/11/75	*1.5	x89.4	x98.6	x18.5
15.2	Electric & General Investment	Ordinary 25p	28/11/75	1.0	78.3	87.6	17.3
4.7	Washington Investment Co.	Ordinary 25p	28/11/75	0.85	39.3	43.0	5.0
4.3	Greenfriar Investment	Ordinary 25p	28/11/75	0.95	88.2	88.2	16.6
4.4	Mendip Investment	Ordinary 25p	28/11/75	1.0	82.7	90.1	16.6
4.9	Lowland Investment	Ordinary 25p	28/11/75	1.5	x49.7	x49.7	x2.2
	Philip Hill (Management) Ltd.						
14.6	City & International Trust	Ordinary 25p	30/11/75	2.75	x93.4	99.9	13.9
8.1	General & Commercial Inv. Trust	Ordinary 25p	30/11/75	3.4	128.8	139.5	17.7
16.8	General Consolidated Inv. Trust	Ordinary 25p	30/11/75	2.25	x78.7	82.5	9.8
98.4	Philip Hill Investment Trust	Ordinary 25p	30/11/75	5.0	x173.2	179.3	7.9
3.3	Moorgate Investment Trust	Ordinary 25p	30/11/75	2.025	63.8	66.9	2.8
20.9	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	30/11/75	5.6	216.2	228.7	41.2
	Ivory & Sime						
74.6	British Assets Trust	Ordinary 25p	28/11/75	1.4	55.9	60.6	8.7
25.1	Second British Assets Trust	Ordinary 25p	28/11/75	1.5	173.3	180.6	37.4
	Ivory & Sime (cont'd.)			Pence except where £ stated (see note d)			
26.2	Atlantic Assets Trust	Ordinary 25p	28/11/75	0.4	ar33.1	ar38.7	ar16.[illegible]
10.0	Viking Resources Trust	Ordinary 25p	28/11/75	0.53	79.4	79.4	4.[illegible]
	Leopold Joseph & Sons Ltd.						
3.4	Anglo-Welsh Investment Trust	Ordinary 50p	28/11/75	1.37	w56.9	w58.6	–
	Do. Do.	Conv. Pref. 50p	28/11/75	4.375	w56.9	w58.6	–
4.8	Leopold Joseph Investment Trust	Ordinary 25p	28/11/75	1.15	x60.8	✢64.2	–
4.5	Thanet Investment Trust	Ordinary 50p	28/11/75	2.4	w66.1	w70.6	–
	Keyser Ullmann Ltd.						
26.4	Throgmorton Trust	Ordinary 25p	28/11/75	3.5625	53.4	58.2	–
7.7	Throgmorton Secured Growth Tst.	Cap. Loan Stock £1	28/11/75	–	–	87.1	–
	Lazard Bros. & Co. Ltd.						
12.6	Embankment Trust	Ordinary 25p	☐30/11/75	1.95	x81.7	86.3	11
†	Raeburn Investment Trust	Ord. Stock 25p	30/11/75	†	†	†	†
35.4	Romney Trust	Ord. Stock 25p	30/11/75	2.1	x96.9	100.5	17
	Martin Currie & Co., C.A.						
9.0	Canadian & Foreign Inv. Trust	Ordinary 25p	30/11/75	2.4	114.9	119.9	[illegible]
15.4	St. Andrew Trust	Ordinary 25p	30/11/75	3.25	120.8	127.7	[illegible]
78.2	Scottish Eastern Investment Trust	Ordinary 25p	30/11/75	3.9	133.3	140.8	[illegible]
20.4	Scottish Ontario Investment Co.	Ordinary 25p	30/11/75	2.7	138.7	141.8	[illegible]
46.4	Securities Trust of Scotland	Ordinary 25p	30/11/75	4.7	171.1	196.0	[illegible]
2.6	Western Canada Investment Co.	Ordinary 25p	30/11/75	11.5	548.7	567.5	[illegible]
	Murray Johnstone Ltd.						
34.2	Caledonian Trust	Ord. & "B" Ord. 25p	30/11/75	*1.3	73.7	78.1	16
32.3	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	30/11/75	*1.35	71.1	74.6	[illegible]
14.1	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/11/75	*1.3	w86.3	w92.0	w18
4.9	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	30/11/75	*1.35	72.8	72.8	16
17.8	Scottish & Continental Investment	Ordinary 25p	30/11/75	1.0	w76.5	w76.5	w16
58.0	Scottish Western Investment	Ord. & "B" Ord. 25p	30/11/75	*§2.0	89.6	93.5	19
18.7	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	30/11/75	*§1.6	81.8	88.5	[illegible]
	Navdale Ltd.						
3.2	Simonside Investment Co.	Ordinary £1	30/11/75	§1.3	x61.3	x63.7	[illegible]
	N. M. Rothschild & Sons Ltd.						
5.1	Equity Consort Investment Trust	Ordinary £1	21/11/75	5.4225	143.6	143.6	[illegible]
	Do. Do.	Deferred 50p	21/11/75	2.925	87.1	87.1	[illegible]
	Do. Do.	Conv. Loan Stk. 1994	21/11/75	£4.75	£106.10	£106.10	[illegible]
7.8	Equity Income Trust	Ordinary 50p	21/11/75	7.15	168.9	186.8	[illegible]
	Schroder Wagg Group						
16.6	Ashdown Investment Trust	Ordinary 25p	31/10/75	2.925	x138.0	147.4	[illegible]
	Do. Do.	Conv. Loan 1988/93	31/10/75	£4.75	£97.00	£103.20	[illegible]
23.5	Broadstone Investment Trust	Ordinary 20p	28/11/75	3.09	x148.5	159.5	[illegible]
	Do. Do.	Conv. Loan 1988/93	28/11/75	£4.50	£99.10	£106.40	[illegible]
39.7	Continental & Industrial Trust	Ordinary 25p	28/11/75	4.5	201.2	219.4	[illegible]
23.6	Trans-Oceanic Trust	Ordinary 25p	28/11/75	3.35	173.4	186.3	[illegible]
	Do. Do.	Conv. Loan 1988/93	28/11/75	£4.50	£109.60	£116.50	[illegible]
10.3	Westpool Investment Trust	Ordinary 25p	28/11/75	2.125	x103.8	109.9	[illegible]
	Do. Do.	Conv. Loan 1989/94	28/11/75	£5.00	£94.40	£98.90	[illegible]
	Stewart Fund Managers Ltd.						
50.4	Scottish American Investment Co.	Ordinary 50p	30/11/75	1.75	68.4	73.0	[illegible]
14.8	Scottish European Investment Co.	Ordinary 25p	30/11/75	1.1	53.3	53.3	[illegible]
	Touche Remnant & Co.						
75.0	Atlas Electric & General Trust	Ordinary 25p	28/11/75	1.15	58.0	61.4	[illegible]
25.4	Bankers' Investment	Ordinary 25p	28/11/75	1.9	58.7	63.8	[illegible]
13.8	C.L.R.P. Investment Trust	Ordinary 25p	28/11/75	1.4	74.2	79.4	[illegible]
25.5	Cedar Investment Trust	Ordinary 25p	28/11/75	1.9	69.3	72.5	[illegible]
30.7	City of London Brewery	Deferred 25p	28/11/75	2.0	56.9	61.9	[illegible]
23.9	Continental Union Trust	Ordinary 25p	28/11/75	1.91	121.2	128.3	[illegible]
137.8	Industrial & General Trust	Ordinary 25p	28/11/75	1.14	53.5	56.3	[illegible]
29.2	International Investment Trust	Ordinary 25p	28/11/75	1.8	w76.1	w82.1	[illegible]
38.7	Sphere Investment Trust	Ordinary 25p	28/11/75	2.04	116.6	123.4	[illegible]
38.1	Standard Investment Trust	Ordinary 25p	28/11/75	3.93625	147.1	157.6	[illegible]
27.8	Trust Union	Ordinary 25p	28/11/75	2.0	111.2	117.0	[illegible]
50.0	Trustees Corporation	Ordinary 25p	28/11/75	2.95	143.8	150.9	[illegible]
	VALUATION THREE-MONTHLY						
6.8	London Atlantic Investment Trust	Ordinary 25p	28/11/75	1.75	55.2	57.0	[illegible]
24.7	London Scottish American Trust	Ord. Stock 25p	31/10/75	3.35	134.3	143.2	[illegible]
7.3	Safeguard Industrial Investment	Ordinary 25p	30/9/75	2.8	61.4	63.9	[illegible]
43.2	United States Debenture Corp.	Ord. Stock 25p	31/10/75	2.42	91.7	95.8	[illegible]
	Do. Do.	Conv. Ln. Stk. 1993	31/10/75	£5.00	£100.80	£105.40	[illegible]
	City Financial Administration Ltd.						
3.9	Acorn Securities	Cap. Ord. 1p	13/11/75	–	81.6	81.6	[illegible]
13.1	General Funds Investment	Ordinary 25p	27/11/75	3.25	157.4	163.4	[illegible]
	Do. Do.	Conv. Ord. 10p	27/11/75	–	126.0	131.0	[illegible]
11.3	"Investing in Success" Equities	Ordinary 25p	4/12/75	2.077	146.2	151.2	[illegible]
	Drayton Montagu Portfolio Mangmt.						
77.4	Drayton Premier Investment Trust	Ordinary 25p	28/11/75	5.0	223.0	235.2	[illegible]
	Do. Do.	Conv. Ln. 1993	28/11/75	£7.50	£139.40	£147.00	[illegible]
	Do. Do.	"A" Conv. Ln. 1993	28/11/75	£7.50	£138.60	£146.20	[illegible]
65.0	Drayton Consolidated Trust	Ordinary 25p	28/11/75	3.75	169.1	178.4	[illegible]
	Do. Do.	Conv. Loan 1993	28/11/75	£7.50	£135.30	£142.70	[illegible]
	Do. Do.	"A" Conv. Ln. 1994	28/11/75	£6.50	£137.40	£144.30	[illegible]
	Do. Do.	"B" Conv. Ln. 1994	28/11/75	£6.50	£140.30	£147.90	[illegible]
44.3	Drayton Commercial Invest. Co.	Ordinary 25p	28/11/75	3.35	147.8	154.2	[illegible]
	Do. Do.	Conv. Loan 1986	28/11/75	£6.25	£118.30	£123.40	[illegible]
11.6	English & International Trust	Ordinary 25p	28/11/75	3.15	100.0	107.2	[illegible]
	Do. Do.	Conv. Loan 1986	28/11/75	£7.00	£121.20	£129.90	[illegible]
7.7	Colonial Securities Trust	Deferred 25p	28/11/75	3.8	277.3	294.2	[illegible]
6.3	British Industries & Gen. Inv. Tst.	Deferred 25p	28/11/75	2.8	117.9	122.3	[illegible]
	Do. Do.	Conv. Loan 1994	28/11/75	£6.50	£131.00	£135.90	[illegible]
5.7	British Australian Investment Tst.	Ordinary 25p	28/11/75	0.7	47.4	47.4	[illegible]
3.1	City & Foreign Investment Co.	Ordinary 25p	3/12/75	–	41.4	41.4	[illegible]
	East of Scotland Investment Mngrs.						
35.0	Aberdeen Trust	Ord. Stock 25p	30/9/75	3.5	133.9	145.0	[illegible]
9.3	Dominion & General Trust	Ordinary 25p	30/11/75	5.25	197.2	211.5	[illegible]
22.1	Pentland Investment Trust	Ordinary 25p	30/11/75	2.65	115.5	121.7	[illegible]
	Kleinwort Benson Ltd.						
2.4	Jos Holdings	Ordinary 25p	28/11/75	1.9	58.1	58.1	[illegible]
4.1	London Prudential Investment Tst.	Ordinary 25p	28/11/75	1.80375	63.4	68.5	[illegible]
37.7	Merchants Trust	Ordinary 25p	28/11/75	1.8	68.7	72.3	[illegible]

AMENDMENT to table published 21/11/75: Philip Hill (Management) Ltd. *Col. 6: City & International x89.9; General Consolidated x73.8; Philip Hill Inv. Trust x165.1.*

* Applies to Ordinary "A" Ordinary only. § = includes special dividend. ac = adjusted for scrip issue. ar = adjusted for rights issue. † Company will announce year-end or interim results shortly. x, w see note (h) below. ☐ Valuation Two-monthly. ✢ Not directly comparable with previous published figure.

Notes:—

(a) Cols. 1, 6, 7 Quoted investments are valued at mid-market prices; unquoted at directors' valuation; both include 100 per cent. of any investment currency premium after taking into account the premium on any surplus or on any shortfall of foreign currency assets against foreign currency loans.

(b) Cols. 1, 6, 7 All revenue account items are excluded.

(c) Cols. 1, 6, 7 No account has been taken of any liability in respect of taxable gains which might arise on future disposal of investments.

(d) Cols. 5-8 Amounts are per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely stated; columns 6-8 to nearest one-tenth of a penny per share and 10p per £100 Convertible Loan Stock.

(e) Col. 5 Dividend is the last declared annual dividend or firm forecast, excluding imputation credit. Interest on loan stocks is stated gross of income tax.

(f) Cols. 6-7 Prior charges are deemed to include preference share capital.

(g) Col. 8 The amount per share/stock unit represented by 100 per cent. of the investment currency premium applied in calculating the valuation fo[r columns] 6 and 7.

(h) Cols. 6-8 Convertible loan/preference stocks and warrants or subscription rights are treated in the way which produces the lower n.a.v. per share. C[onvertible] stocks are treated as fully converted at the rate for the next conversion date, or where a figure is marked "x" as prior charges; w[arrants or] subscription rights are treated as exercised, except where a figure is marked "w".

AITC

A booklet "Investing in Investment Trust Companies" is available from: The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London, EC2M 7JJ.

MINING NEWS

Rand Selection now pauses

BY KENNETH MARSTON, MINING EDITOR

AFTER its Cinderella-like transformation over the past three years from being a staid, if not dull, holding company in the Anglo American Corporation group, into a more vigorous profit-earner, South Africa's Rand Selection must now sit back and wait for the cold economic winds to blow themselves out.

The principal factor in the sharp advance achieved in recent years' earnings has been the jump in the price of gold which, with uranium, provided 68 per cent. of the company's investment

Mr. Gavin Relly

income in the year to last September when the bullion price averaged $169 per ounce. Gold is currently standing at $138.75 and most observers see no major move forward in the near term.

Still a child

However, Rand Selection's chairman, Mr. Gavin Relly, takes the view in the annual report that the recent international "understanding" on gold is "a child of its times and it is probable that its ostensibly unfavourable implications will fade as the underlying conditions change." He thus retains "every confidence" that the metal's future is "fundamentally secure" and that its role in the international monetary system may have been strengthened.

Of the group's other interests, the creation of South Africa's Anglo American Coal Corporation provides "a long term investment of considerable growth potential in coal resources." The important Schlesinger insurance acquisition, now renamed Rand Selection Insurance Holdings has achieved a record combined premium and investment income of R124m. (£70.6m), and is "well placed" to increase its share of the South African assurance market.

Mr. Relly points to the "breadth and strength" of Rand Selection's assets—equal to 1,848 cents (£10.52) per share at November 28—and anticipates continued growth in the future but "a period of adjustment and uncertainty" looms in the year ahead. The shares were 720p yesterday

there being only about 150 Preference share holders.

* * *

Australia's Woodsreef Mines, which is 58.5 per cent. owned by Canada's Woodsreef Minerals, says that diamond drilling on its North Pit asbestos prospect near Barraba in New South Wales is virtually complete. At end-November 21.2m. tonnes of reserves had been proved in the area, of which 1.25m. had been mined, while an additional 9.3m. tonnes of probable ore had been outlined.

ROUND-UP

South Africa's gold holdings were virtually unchanged at R525.7m. in the week ended December 12, according to figures published by the Reserve Bank. Thus, it is assumed that free market sales absorbed the week's full newly mined output which is thought to be around 14½ ounces.

* * *

Proposals for the repayment at 3p per share together with dividends accruing are to be put forward to holders of Consolidated Gold Fields 7 per cent. First and Second Cumulative Preference shares. A circular giving full details of the proposals and convening the requisite meetings will be posted shortly. The operation is understood to be a tidying-up exercise.

Southern Kinta and Kamunting

A FALL in net profits for the six months to September 30 to £323,000 from £842,000 for the same period of last year is reported by the London-registered producer of tin in Malaysia and Thailand, Southern Kinta.

Tin concentrate sales in the latest period declined to 950 tonnes from 1,243 tonnes while the average price for the metal content was $960 per picul as against $1,253 per picul previously. In Malaysia, the Rasa dredge was shut down on July 2 owing to the exhaustion of ore reserves and it was docked on a care and maintenance basis.

For the first eight months of the current year to date Southern Kinta has produced 1,368 tonnes of tin concentrates compared with 1,625 tonnes a year ago while the Penang metal price yesterday was $974 per picul. The company's profitability will be further impaired by the latest reduction in export quotas which is to be imposed by the International Tin Council for the first quarter of 1976.

For the similar six-monthly period Kamunting Tin reports a merely break-even situation against a £296,000 profit for the first half of the previous financial year. As expected, the company's operations in Thailand have ceased owing to the exhaustion of tin reserves and tenders have been invited for the sale of its Thailand assets.

Operations in Malaysia continue but overall production for the eight months of the current year to date is 536 tonnes against 731 tonnes previously. Southern Kinta were 95p and Kamunting 44p in London yesterday.

Exports drive by S. Osborn

Mr. B. E. Cotton, chairman of Samuel Osborn and Co., tells members that in the current year much will depend on the degree of success achieved in obtaining a profitable export business and the timing of the revival in the home economy.

In general, overseas order books are holding up well and results as a whole in the current year are expected to be similar to those of 1974-75.

On the steel manufacturing side the low level of rdders currently being received will result in a decline in profits in 1975-76, but the group is stepping up efforts to obtain new export business and the chairman looks forward to reviving profits when the U.K. emerges from the present low level of activity.

In the steel extrusion division the present order book is satisfactory, but efforts are being made to replace diminishing U.K. business with exports.

As reported group profits for the year ended September 28, 1975 amounted to £2.92m. compared with £2.83m.

Meeting, Sheffield, on January 13 at 12.30.

MEPC £3.65m. loss: £38m. off values

AFTER BREAKING even in the first half, MEPC has run into a loss of £3.65m. in the year ended September 30, 1975, compared with a profit of £14.14m. previously.

The loss per 25p share is given as 5.3p, and there is no dividend recommendation. For 1973-74, earnings were 4.73p and a total payment of 4p was made.

Chairman Sir Henry Johnson attributes the setback principally to the fall in property values, significant losses from residential developments in the U.K., a change in capitalising development interest, and the investments in Australia and in Belgium.

At September 30, reserves had been reduced by £44.85m. to £212.39m.: the bulk of this being accounted for by a £38.19m. net drop in property values.

	1975 £000	1974 £000
Gross rents	41,229	34,450
Residential revenue	*5,061	†722
Other revenue	8,507	11,841
Property outgoings, etc.	18,380	12,870
Loans, debts provn.	2,542	1,047
Finance costs	33,954	25,049
Development props.	26,411	5,937
Associates profit	55	†78
Loss before tax	3,665	†16,137
Taxation	277	8,068
Minority	355	556
Preference div.	68	68
Depreciation	1,310	473
Ordinary loss	3,656	†4,972
Ordinary div.	—	4,179

* Loss. † Profit. ‡ Equivalent to interest and other outgoings.

On the future, Sir Henry says the effect of the Community Land Act has yet to be experienced and the final provisions of the Development Land Tax are not yet known, but their result should be to increase existing property values. MEPC is concentrating on its existing portfolio with particular emphasis on refurbishment and renovation. This should enhance profitability over and above the substantial increases in revenue arising from rent reversions.

The directors are facing the problems realistically and are confident that steps being taken will restore MEPC to its previously profitable position.

Referring to the valuation policy, he believes that carrying out an independent valuation of the investment portfolio on a rolling basis over three years is justified. Last year the professional valuers attached certain important qualifications to their valuation of properties included in the 1974 tranche resulting in the Board deciding not to incorporate the £27m. uplift in the balance sheet. This year, the valuers did not attach any material qualification; consequently they were instructed to re-value the 1974 tranche in addition to this year's, resulting in a net increase of some £7.2m. over book value which has been written into the accounts.

The valuers also reviewed, by sample, the balance of investment properties, most of which were last valued in 1973. As a result, the directors have written into the accounts a general provision of £45m. representing their opinion of the overall change in value of these properties.

The development programme of which projects in course of development have a book value of £72m., was also reveiwed. In the directors' opinion these projects have a present estimated value of some 10 per cent. to 20 per cent. below book value. Sites held for development stand in the books at £77m. but the directors do not believe that it is practicable, in current conditions, to place a reliable valuation on them.

In residential development J. Sanders and Sons (Holdings) and MEPC Housing, both operating in the more expensive house-building and flat conversion market, have incurred significant losses. Sanders' trading loss was £2.2m. excluding interest and an additional £5.4m. has been charged as an extraordinary item, being the anticipated loss on closing down this business.

MEPC Housing incurred trading losses of £2.6m. excluding interest. It will continue to trade at the low-cost end of the housing market.

In to-day's conditions, MEPC believes that capitalisation of interest can only be justified for projects in course of development. This change of policy has adversely affected the results by £4.7m. A further £2.6m. was charged to revenue account in respect of interest relating to Sanders and MEPC Housing since no interest on U.K. residential developments has been capitalised.

Middle Harbour Investments (Australia) is in liquidation, and MEPC is confident that the provisions already made are sufficient. The Manhattan Center in Brussels is still affected by the weak letting market and the financial failure of the guarantor of the unlet portion—£1.6m. has been provided against the resultant bad debts and a £1.7m. trading loss was also incurred during the year.

The cost of retaining sites for developments currently deferred is a heavy burden. Nevertheless, because these sites for the most part occupy excellent locations and have planning consents the Board considers they should be held against future development.

Sir Henry says MEPC can call upon cash deposits of nearly £40m. In addition the group's utilisation of its substantial overdraft facilities is nominal and the unsecured standby facility of U.S.$36m. remains undrawn. During the year properties have been sold at a small net surplus over their book value of about £32m. As a result of present development policy there has been a major reduction in the level of contracted capital commitments, which now stand at £25m.

The auditors are unable to express an opinion on whether development properties are fairly stated and on the capital gains tax which might arise.

Meeting, Dorchester Hotel, W., January 20 at noon.

See Lex

Rothmans tops £20m. at halfway

TURNOVER OF cigarette manufacturers, Rothmans International, expanded from £479.56m. to £556.93m. in the half year to September 30, 1975, and pre-tax profit advanced from £14.32m. to £20.2m.

And the directors state that second-half earnings are expected to be "considerably better" than those of the relatively depressed results for the same period last year. For the year to March 31, 1975, profit was £21.41m. on a turnover of £1,015.95m.

The interim dividend is lifted from 0.5437p to 0.6p net per 12.5p share and the directors forecast a maximum permitted total of 1.6579p against 1.5235p.

Half year	1975 £m.	1974 £m.
Turnover*	556.93	479.56
Trading profit	21.89	15.85
Share associates	3.35	2.91
Bond interest	5.04	4.44
Pre-tax profit	20.20	14.32
U.K. tax	2.30	1.22
Overseas	8.09	7.92
Net profit	9.81	5.09
Minorities	2.04	1.56
Attributable	7.77	3.32

* Includes duties and State taxes but excludes VAT. Fluctuations in turnover are influenced by changing duties etc. and do not necessarily reflect changing volume of business.

The general performance and results are broadly in line with expectations, the directors state.

In a number of the group's domestic markets, particularly in Europe, sales volume was depressed. In West Germany sales remained slack and the further increase in tax in the U.K. last April again caused some loss of sales.

Exports from the U.K. and other sources continued to make "strong" progress.

Earnings benefited from some price adjustments, which relieved the pressure on margins experienced in the previous year, as well as from greater production and marketing efficiency and lower financing charges.

Profits in the U.K. showed a continued improvement and, in contrast to last year, the level was sufficient to absorb the tax relief available on financing charges, including the bond interest, in full.

See Lex

Century Secs. downturn

Retail discount store operators, Century Securities incurred a group loss of £125,172 for the sixteen months to July 31, 1975 compared with a £224,310 profit for the previous year. Turnover totalled £8.73m. against £3.08m.

There is no final dividend, leaving the interim of 0.7875p to stand against last year's total of 1.89418p.

Tax for the sixteen months took £45,991 (£189,677).

Results include for the first time, full figures in respect of Hamilton Wholesale Supplies.

The directors explain that the disappointing results stemmed from the generally difficult economic climate which led to losses being sustained in the retail division and electrical contracting unit.

Profit in the joinery division was also considerably lower.

Steps are being taken to eliminate retail losses and the group as a whole is operating profitably. It is hoped to report more favourable results for current year.

CAI sees first half downturn

AT THE annual general meeting of Cope Allman International, the packaging, engineering, fashion and leisure group, Mr. L. J. Manson, chairman, warned that group profit, before loan stock interest, for the first half of the current year, to December 31, 1975, would be below £2m.

This would compare with £3.78m. in the same period of the year to end-June, 1975: the total for that year was £6.25m.

Mr. Manson explained that the profit fall was mainly due to de-stocking by customers of the international packaging operations having continued until November; also to low activity at Capseals, the paper and board packaging group, and at the steel rolling mill.

The amusement machine operations were doing well, and the fashion division continued to trade at "reasonable" levels of profitability.

However, Mr. Manson added, the second half should show a positive improvement, particularly in the aerosol valve and cosmetic container businesses, where orders had increased significantly over the last two months.

The extent of this improvement was difficult to assess as customers had changed their pattern of ordering and were placing small orders for quick delivery instead of large orders to be called off.

The chairman reported that replacement of certain short-term borrowings by medium-term loans had been completed and that the liquidity of the group continued to improve.

The group was pursuing its policy of capital re-equipment and stock rebuilding to ensure that it was in a position to take full advantage of the anticipated worldwide upturn in business, he told the meeting.

£9.3m from S & W Berisford

A 22.9 PERCENT increase in profits is announced by S. and W. Berisford, the international food group. For the year ended September 30, 1975, the group pre-tax balance reached £9.33m. compared with £7.59m. previously and a forecast of at least £9.1m. given last month at the time of the one-for-one rights issue. At midway the rise was from £4.02m. to £4.64m.

Yearly earnings per 25p share are shown at 35.38p against 30.17p and adjusting for full conversion of 8½ per cent. Loan stock at 32.19p against 27.52p. The dividend is raised from 5.54p to 5.912p with a final of 3.412p net.

● comment

One of the main features of Berisford's preliminary figures is the way in which it has eliminated its loss-making elements within the U.K., and pushed pre-tax profits 23 per cent. higher on a 12 per cent. sales increase. Loss-elimination, particularly at the meat division, accounts for about ten points of the profits rise. Though Berisford still had some areas of losses at the year end these have since been turned round into the black and the group is now firing on all cylinders. Borrowings are held tightly in check; over the past few months there has been no call on its overdraft facility and that before the proceeds of November's rights issue amounting to £3.35m. are taken into account. The strong overseas earnings flavour will attract market interest, but even so the yield is still nearly 7 per cent. at 135p.

BIDS AND DEALS

Agreed Dana partial bid for Brown Bros.

Dana Corporation, one of the largest gearbox manufacturers in the U.S., is making an agreed 22p per share partial bid for half of the Ordinary shares it does not already own in Brown Brothers Corporation, the motor accessories and cycle distribution group. The bid values Brown Brothers at about £10m.

Dana already holds 27.4 per cent. and, if the bid goes through, its holding will be 63.7 per cent. The basis of the proposed offer has been discussed with the Take-over Panel which has given its agreement to it.

The Boards of both companies say the proposed closer association will be of considerable value to Brown Brothers, in the development of its business.

Dana says the main reason for the partial bid is a desire to preserve the positive British identity of Brown Brothers. Brown Brothers' shares closed 2p up at 18p—the shares of Henlys, in which it has a 25 per cent. stake, closed 6½p up at 77p.

● comment

Brown Brothers' share price had already risen by nearly three-fifths since the start of November: all the same, Dana's offer document will need to be persuasive. The U.S. company paid substantially more for its original holding, and shareholders are now being asked to hand over control at a net price of about 19p, roughly in line with asset value. The document will have to give up-to-date information about profits, assurances about dividends, and an explanation as to why the links between the two companies—which in May were said to be unlikely to produce significant benefits in the immediate future—now seem so attractive.

HATTERSLEY PEGLER EXPANSION

Woodall Engineering and Yorkshire Valve of Pudsey, W. Yorkshire, have been acquired by Pegler Hattersley, the Doncaster-based group for a total cash consideration of £545,000. Woodall manufacture a comprehensive range of gate, globe, check and cryogenic valves in stainless steel while Yorkshire is in the business of valve repair. Their activities will complement and strengthen further the worldwide valve interests of Pegler Hattersley's Engineering and Valve Division, it is stated.

YORK TRUST BID FOR GREENWOOD & BATLEY

Investment banking and engineering group, York Trust, is making an agreed takeover bid for Greenwood and Batley, another investment company whose shares were suspended in June at 38p when it announced the sale of its major engineering subsidiary.

Terms of the bid are two York Ordinary shares for each Greenwood Ordinary. York's shares closed yesterday at 20p up 1p on the day.

Holders of Greenwood's 15 per cent. one year convertible unsecured loan notes 1976 will be offered the right to convert into York Ordinary on maturity, on the basis of four Ordinary for every £1 of notes.

AVON SELLS RFD GROUP STAKE

The Board of RFD Group has been informed by Avon Rubber that Avon has sold through the market the whole of its holding of 3,014,500 shares (22.1 per cent.) in RFD. The holding has been placed with a number of institutions.

Of the pre-tax profits of RFD for the year ended March 31, 1975 £316,251 was attributable to Avon and has been included in its preliminary results for the year ended September 27, 1975, announced last month. Proceeds of the disposal will be used as additional working capital.

ACQUISITION BY GREGGS

The Tyneside bakery group, Greggs, has bought Manchester's biggest independent baker, Price Brothers, for a nominal sum. Greggs plans to introduce new management, marketing and production techniques, and new products, at the ailing Manchester bakers, which employs 700 people. It will be known as Greggs (Manchester).

W. J. SIMMS

Following the voluntary liquidation of the former parent company, Lewston International, on June 2, the directors announce the successful conclusion of negotiations for the acquisition of the business of W. J. Simms Sons and Cooke (Northern) by Prenwain Developments, a subsidiary of Gresham House Estate. A new W. J. Simms Sons and Cooke (Northern) company will continue to operate from the existing premises at Nottingham and regional offices at Leeds, Manchester and Nantwich.

SHARE STAKES

Top View announces a purchase of 45,000 Ashbourne Investments Ordinary at an average of 17½p.

Sale Tilney and Co. has received notification from Singer and Friedlander that it has sold its entire holding of 192,332 Ordinary shares (11.3 per cent.).

John Sissmore and Co. has purchased 2,000 Moran Tea making its holding 65,822 (15.52 per cent.) shares.

An associate company of Kuril Plantations Berhad has acquired 225,000 Ordinary shares in Grand Central Investment. Total holding of Kuril and its associates is 11.28m. shares (76.58 per cent. of the equity).

Highams-Courtaulds has reduced its holding of Ordinary shares to 1.50m. (24.99 per cent.).

Aldred Lockhart—Dawnay Day Group has purchased a further 2,500 shares, bringing its total holding to 165,000 shares.

Mills and Allen International—J. H. Vavasseur Group has purchased a further 12,512 Ordinary shares and its total holding is now 7.14m. (76.96 per cent.).

ALEXANDER HOWDEN: AT LEAST £10M.

Reinsurance brokers Alexander Howden Group is forecasting pre-tax profits of not less than £10m. for 1975 (against £8.1m.) in the formal offer document for Halford Shead (Holdings). The latter is forecasting that its profit for the same period before tax and extra-ordinary items will not be less than £1.45m. (£1.05m.).

SIME DARBY IN BELGIUM

Sime Darby Holdings said yesterday that its subsidiary, Sime Darby International Finance NV have acquired 40 per cent. of the capital of Constructie Werkhuizen Vanderkerckhove, of Belgium, manufacturers of palm oil mills and slaughter houses, for Belgian Frs.31.5m. cash. Sime Darby also has an option to acquire within an agreed period, the remainder of the issued capital.

CHARTERHOUSE JAPHET

Merchant bankers Charterhouse Japhet has acquired BSG Finance (Jersey) a deposit taking company from BSG International for a consideration in excess of £110,000. The company's capital has been raised to £250,000.

Its name has been changed to Charterhouse Japhet (Jersey). Intention is to continue the deposit taking activities for Jersey resident but also to take deposits on an international basis. It will also enable Charterhouse Japhet to establish a presence, on an international scale, in offshore finance and to expand operations in international investment management.

T & N EXTENSION IN THE U.S.

Flexitallic Gasket Co., a subsidiary of Engineering Components (Turner and Newall), has extended its manufacturing operations in North America by the purchase of Gasketfab, of Los Angeles. Gasketfab currently manufactures metal-packeted and heat-exchanger gaskets and it is planned to introduce machines to manufacture spiral-wound gaskets in order to service the important refinery market on the west coast.

HERBERT MORRIS

Herbert Morris, in a letter to shareholders, says the Board considers the bid from Amalgamated Industrials wholly unacceptable—as known, the bid has been withdrawn pending the outcome of the findings of the Monopolies and Mergers Commission. Results for the year to November 2, 1975 will be announced in mid-February and based on internal management accounts, will have more than achieved the expectations expressed in the interim statement, the Morris directors say.

Notice of Redemption

Massey-Ferguson Nederland N.V.

9% Guaranteed Sinking Fund Debentures Due January 15, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of January 15, 1970 under which the above described Debentures were issued, First National City Bank, as Fiscal Agent, has drawn by lot, for redemption on January 15, 1976, through the operation of the sinking fund provided for in the said Indenture, $1,500,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000. PRINCIPAL AMOUNT OUTSTANDING

M13	1132	2306	3614	4769	6033	7273	8448	9850	11175	12449	13645	14936	16173	17501	18930
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
363	1400	2619	3966	5088	6317	7629	8891	10243	11547	12739	14002	15290	16527	17872	19189
364	1414	2642	3975	5091	6400	7654	8895	10252	11559	12742	14008	15295	16538	17940	19191
378	1426	2645	3976	5112	6409	7662	8900	10261	11569	12755	14036	15308	16548	17981	19211
384	1439	2669	3995	5118	6410	7666	8940	10262	11572	12776	14046	15314	16568	17992	19238
392	1451	2707	3996	5162	6418	7668	8948	10267	11584	12778	14053	15325	16569	17999	19256
412	1474	2726	4006	5171	6420	7683	8949	10269	11589	12810	14077	15354	16572	18009	19273
413	1508	2739	4013	5183	6426	7685	8976	10270	11592	12811	14100	15357	16580	18022	19285
436	1510	2765	4021	5189	6481	7686	8978	10309	11594	12825	14134	15362	16642	18023	19292
442	1526	2776	4023	5199	6502	7697	8987	10317	11595	12837	14135	15379	16653	18025	19297
443	1536	2786	4026	5206	6508	7705	9013	10328	11607	12851	14142	15399	16657	18066	19300
458	1537	2802	4033	5209	6541	7706	9019	10331	11612	12854	14163	15406	16666	18071	19304
459	1543	2804	4064	5215	6575	7709	9040	10336	11614	12856	14164	15412	16690	18106	19355
464	1566	2815	4066	5243	6602	7711	9049	10423	11637	12886	14193	15479	16694	18114	19358
473	1567	2817	4068	5247	6605	7739	9064	10427	11666	12935	14214	15503	16699	18115	19389
475	1577	2824	4077	5279	6633	7747	9086	10445	11689	12937	14226	15504	16716	18139	19391
480	1592	2828	4082	5297	6637	7758	9081	10475	11692	12944	14232	15506	16723	18140	19394
482	1615	2853	4100	5301	6650	7778	9111	10487	11695	12954	14236	15519	16726	18154	19398
508	1630	2858	4104	5304	6651	7781	9113	10506	11698	12974	14241	15565	16755	18169	19401
523	1635	2865	4115	5315	6653	7782	9129	10543	11705	12976	14251	15572	16760	18172	19419
529	1665	2867	4133	5330	6659	7786	9138	10563	11709	12978	14263	15583	16774	18192	19424
535	1667	2879	4149	5334	6682	7787	9145	10588	11737	12988	14279	15589	16840	18197	19427
548	1677	2938	4151	5341	6695	7791	9170	10590	11756	13003	14287	15619	16936	18234	19459
553	1690	2943	4157	5349	6708	7811	9176	10610	11776	13021	14321	15623	16950	18274	19462
574	1725	2966	4160	5353	6722	7842	9224	10615	11786	13037	14328	15628	16987	18297	19474
578	1751	2981	4181	5372	6727	7870	9231	10616	11814	13041	14337	15641	17006	18298	19495
602	1754	2991	4187	5374	6737	7899	9237	10626	11823	13052	14367	15664	17011	18320	19550
619	1772	2994	4210	5385	6744	7903	9239	10636	11826	13066	14369	15674	17018	18337	19579
631	1790	2999	4214	5407	6746	7918	9268	10677	11852	13072	14374	15697	17027	18340	19597
665	1806	3007	4237	5414	6747	7919	9307	10690	11854	13078	14393	15698	17028	18364	19603
685	1842	3008	4241	5440	6754	7940	9317	10697	11860	13094	14424	15703	17035	18399	19607
686	1844	3017	4243	5474	6756	7954	9322	10705	11867	13101	14448	15704	17042	18404	19622
695	1857	3020	4245	5477	6762	7962	9327	10708	11905	13109	14458	15713	17048	18412	19624
703	1878	3040	4246	5482	6766	7969	9328	10760	11961	13121	14468	15720	17070	18427	19651
726	1913	3046	4247	5487	6767	7991	9364	10774	11966	13124	14474	15723	17074	18453	19661
728	1920	3087	4249	5488	6789	8008	9383	10775	11970	13148	14497	15731	17085	18437	19673
730	1934	3091	4258	5495	6796	8009	9391	10776	11975	13150	14501	15736	17091	18455	19678
735	1985	3112	4265	5498	6797	8018	9399	10779	11984	13166	14515	15738	17118	18462	19684
739	1958	3125	4267	5502	6799	8023	9415	10783	11996	13191	14516	15744	17152	18471	19686
751	1959	3144	4276	5504	6808	8043	9452	10792	12020	13193	14521	15746	17158	18479	19698
753	1967	3147	4286	5535	6839	8045	9453	10805	12022	13202	14525	15748	17173	18503	19715
764	1971	3149	4293	5551	6868	8068	9461	10814	12030	13228	14556	15764	17178	18520	19716
789	1980	3175	4297	5579	6869	8071	9467	10827	12054	13233	14563	15768	17184	18529	19720
790	1985	3180	4315	5617	6887	8083	9480	10846	12056	13258	14568	15769	17188	18594	19747
791	1995	3187	4326	5620	6898	8093	9482	10852	12064	13265	14600	15777	17195	18601	19755
809	1999	3196	4335	5636	6938	8104	9487	10861	12070	13266	14614	15785	17215	18609	19760
847	2008	3198	4347	5641	6939	8118	9492	10880	12109	13280	14637	15805	17220	18621	19761
851	2019	3223	4358	5656	6962	8130	9494	10889	12127	13282	14644	15812	17227	18622	19771
867	2020	3244	4390	5663	6974	8180	9521	10918	12147	13304	14675	15851	17232	18641	19831
869	2055	3246	4414	5665	6994	8191	9547	10943	12150	13335	14688	15902	17277	18644	19834
876	2058	3251	4469	5667	6997	8192	9584	10946	12229	13339	14692	15928	17281	18652	19842
895	2070	3257	4474	5672	6998	8194	9589	10949	12251	13342	14710	15958	17291	18661	19846
901	2072	3288	4476	5706	7016	8195	9594	10952	12253	13369	14713	15959	17303	18683	19867
910	2088	3293	4485	5710	7027	8204	9595	10971	12257	13395	14716	15979	17308	18684	19868
925	2094	3303	4510	5728	7031	8214	9624	10985	12265	13402	14718	15981	17318	18692	19872
936	2095	3313	4512	5750	7032	8220	9627	11004	12277	13405	14723	15986	17323	18713	19884
951	2107	3369	4553	5772	7063	8222	9635	11015	12290	13411	14727	15996	17364	18721	19904
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
981	2132	3395	4559	5815	7093	8254	9654	11020	12296	13425	14754	16046	17417	18732	19910
990	2138	3407	4578	5818	7098	8303	9668	11022	12327	13479	14761	16054	17435	18741	19921
1001	2171	3447	4605	5825	7119	8316	9687	11052	12333	13540	14762	16063	17440	18749	19938
1003	2227	3507	4610	5828	7130	8319	9698	11053	12334	13563	14772	16069	17443	18762	19955
1005	2251	3528	4653	5835	7131	8351	9708	11066	12363	13575	14806	16078	17447	18814	19960
1016	2252	3529	4668	5848	7176	8356	9716	11076	12377	13579	14850	16111	17456	18815	19961
1034	2259	3581	4672	5856	7191	8359	9721	11077	12382	13588	14866	16117	17457	18832	19962
1047	2264	3562	4686	5873	7197	8377	9744	11079	12395	13596	14870	16121	17467	18846	19968
1053	2265	3567	4689	5879	7205	8397	9785	11090	12396	13612	14874	16125	17468	18878	19994
1056	2267	3569	4702	5895	7212	8400	9801	11132	12398	13617	14880	16131	17472	18883	
1072	2277	3584	4710	5984	7242	8433	9802	11140	12399	13621	14895	16146	17477	18892	
1081	2292	3589	4711	5951	7243	8438	9811	11146	12409	13640	14913	16148	17491	18907	
1084	2299	3598	4714	5967	7270	8443	9842	11153	12448	13643	14929	16164	17498	18923	

The Debentures specified above, are to be redeemed for the said sinking fund at the W.C.G.-Agency Services of the Fiscal Agent, 111 Wall Street, in the Borough of Manhattan, The City of New York, State of New York; or at the main offices of Banca Nazionale del Lavoro, Rome; Banque de Paris et des Pays-Bas, Luxembourg; Credito Italiano, Milan; Deutsche Bank Aktiengesellschaft, Dusseldorf; Dresdner Bank Aktiengesellschaft, Frankfurt/Main; Hill Samuel & Co. Limited, London; Pierson, Heldring & Pierson, Amsterdam; Societe Generale, Paris or Societe Generale de Banque S.A., Brussels, as the Company's paying agents, and will become due and payable on January 15, 1976 at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date.

For MASSEY-FERGUSON NEDERLAND N.V.

By FIRST NATIONAL CITY BANK, Fiscal Agent

December 11, 1975

St. Gobain pulls out of KWU negotiations

BY RUPERT CORNWELL PARIS, Dec. 18.

THE FRENCH engineering group St. Gobain Pont-a-Mousson has pulled out of its six-month-old negotiations to take a 25 per cent. stake in Kraftwerke Union (KWU), the troubled nuclear subsidiary of Siemens and AEG of West Germany.

When talks began last summer hopes were high of some kind of Franco-German atomic alliance. Compagnie Generale d'Electricité (CGE) the French licensee of General Electric of America and its boiling water technique, was itself trying to forge an alliance with KWU, as the basis for a "Europeanisation" of the industry.

For St. Gobain, the deal also offered the possibility of securing a useful market for the specialised pipe and valve equipment it already manufactures.

Since then the picture has changed completely. By opting for the pressurised water reactors of Westinghouse, the French Government has in effect shut GCE out of the domestic market and pushed the idea of co-operation with West Germany into the more speculative and long-term area of the fast breeder reactors.

At the same time, as a St. Gobain spokesman pointed out to-day, the French company had become increasingly worried about the risks associated with nuclear involvement; these if anything have been aggravated by the poor business climate.

In the meantime, the reorganisation of the French nuclear industry decided by the Government last summer seems to be almost complete, although last-minute hitches have delayed a final settlement with Westinghouse until the end of the year.

Last night the U.S. group said it reacted "affirmatively" to the latest proposals from Paris. These are known to include a regular supply of uranium as well as certain rights concerning French uranium concessions in West Africa.

Westinghouse, however, is now understood to want to sell its entire 45 per cent. interest in Framatome, its French licensee. Previously it had been assumed that the state atomic agency, the CEA, would purchase just 30 per cent. leaving 15 per cent. in American hands. It is now a question either of finding a buyer for the holding or of persuading Westinghouse to remain a somewhat powerless minority shareholder.

Neither side nevertheless appears to feel that this latest snag is very serious and both sound confident that the deal will go through within the next week or so.

In any case the French Cabinet has authorised the CEA to set up a subsidiary (in which the agency will have an interest of at least 50 per cent.) to handle its nuclear fuels activities.

W. German oil forecasts

BY GUY HAWTIN FRANKFURT, Dec. 18.

OIL DEMAND in West Germany is expected to fall by 4.1 per cent. this year, from 1974's 120.4m. tonnes to 115.5m. tonnes according to the Mineral Oil Industry Association. The drop follows last year's massive 14.2 per cent. decline in demand.

It is the commercial sector which has felt the draught. Sales of motor spirit and diesel have increased, while light heating oil demand also went up slightly.

According to the association, the sales pattern closely reflected the current recession. Heavy fuel oil and crude benzine deliveries are likely to slump by 10.5 per cent. and 34 per cent. respectively. Heavy heating oil deliveries are expected to fall from 1974's 24.8m. tonnes to 22.2m. tonnes, while crude benzine demand should go down from 5m. tonnes to 3.3m. tonnes.

The fall in heavy fuel oil sector stems largely from the fact that demand from the power generation industry was extraordinarily light, a result of the the low level of industria lpower demand. Under-utilisation of capacity in the petro-chemicals industry is underlying cause of downturn in crude benzine.

Bitumen demand is forecast to be off 6.3 per cent. from 4.6m. tonnes to 4.3m. tonnes, reflecting the recession in the construction industry and the road construction sector. At the same time, deliveries of ships' bunkering sector oil is projected to fall by 12.9 per cent. from 3.1m. tonnes to 2.7m. tonnes. Exports are expected to decline by 32.2 per cent. from 9.3m. tonnes to 6.3m. tonnes.

The Association, whose figures for the year are virtually complete, is expecting that petrol sales will rise by 8.9 per cent. from 18m. tonnes to 19.6m. tonnes. The forecast 4 per cent. increase, bringing diesel sales up from 10m. tonnes to 10.4m. tonnes, is disappointing says the Association.

Throughput in the Federal Republic's refineries is expected to drop by 12.7 per cent. from 107.1m. tonnes to 92.8m. tonnes owing to the decline in demand. Utilisation of refining capacity will also fall from last year's 72.9 per cent. to 62.4 per cent.

Crude oil imports by the end of 1975 are expected to total only 89.5m. tonnes, down 12.7 per cent. on the previous year's 102.5m. tonnes, while imports of finished and semi-finished oil products are likely to show a meagre 1.9 per cent. growth from 37.3m. tonnes to 38 per cent.

Meanwhile an interim report from Deutsche Texaco AG, the Hamburg-based subsidiary of the U.S. multinational, bears out in large part the association's predictions. The concern disclosed that crude oil processing has fallen by about a quarter during the course of the year.

However, Deutsche Texaco is hoping to end the year in the black and the management believes that losses as a result of the poor earnings situation have been held as low as possible. Aiding the situation is the fact that the concern has not been affected greatly by the recession in some important areas, particularly heavy fuel oil where the management reports there are strong export demand. Sales of light fuel oil and diesel have also been up.

AGIP buys GE nuclear stake

BY Dominick J. Coyle ROME, Dec. 18.

AGIP (U-LC) Nucleare, part of the ENI group, has acquired effective control of Fabricazioni Nucleari SPA of Boscomarengo in Piedmont, by buying the 45 per cent. of the company held by General Electric of the U.S. Consideration details have not been immediately disclosed.

The deal gives AGIP 85 per cent. of the equity, the balance being held by AMN, the thermic and nuclear installation wing of the Finmeccanica group. In the process, of course, AGIP has not only increased its own productive capacity but the deal gives Italy greater autonomy in the nuclear field.

Fabricazioni Nucleari commenced production in April last year and its present output is said to be roughl yone-hundred and fifty tons of fuel annually. Last spring the company completed its initial production cycle with the recharging of the ENELS 160MW reactor at Garigliano, and it is currently involved in the initial charge for Italy's largest reactor (1,840MW) which Enel is building at Caorso.

Malta Cross bidding up for Liners

By Godfrey Grima MALTA, Dec. 18.

MALTA Cross Shipping is making an offer of $25m. for the two 46,000 ton Italian cruise liners Raffaello and Michaelangelo. The liners, until recently flagships of the Italian merchant fleet, have been put up for sale after ten years in service by the owners, Italian Shipping.

Malta Cross Shipping was registered here recently by Italian, American and Maltese shipping interests. The company's bid is believed to be the highest of six being made by Italian, American, South American, Saudi Arabian and Swiss shipping companies.

Carefree of Arizona is offering $8m. for each vessel, Representation Industrielle of Switzerland and Hotelship consortium of Abu Dhabi have made a joint offer of $13.25m., and Guest Tecnicae Adminstrastracao de Hoteis of Brazil and the Merriott Group of Washington DC are jointly offering $14m.

Heineken 'confidence' shows in dividend forecast

BY MICHAEL VAN OS AMSTERDAM, Dec. 18.

HEINEKEN, the large Dutch-based European brewer, said in its annual report published here to-day that it regarded the new year with "confidence." But it refrained from making any profit or turnover forecasts now. This had become impossible as the company's business was increasingly influenced by the general uncertainties such as the recession, and particularly as a result of developments in the socio-economic fields and government measures.

At a Press conference here this afternoon on the publication of the annual report, company chairman Mr. Freddy Heineken went a bit further. He stated: "We believe that we will be able to maintain the dividend this year on expanded capital," this in the absence of unforeseen circumstances.

As reported two weeks ago, a short statement on Heineken's main figures revealed that sales had risen to Fls.1.842bn. from Fls.1.584bn. in the financial year ended September 30, 1975, while net profits declined 12.9 per cent. to Fls.70.6m. The second half of the year showed a very substantial improvement in turnover with sales up almost 23 per cent. on the same period last year partly due to the fine summer.

In a brief passage in its annual report on the future outlook, the Amsterdam-based company, which recently opened a brand new modern large-capacity brewery at Zoeterwoude, said that among the positive factors were particularly sales growth possibilities in the Southern European countries, the great interest for Continental type beer in the U.K. and Ireland and the increasing demand in general for the Heineken beer brand in the world. The company faced sharp competition in the domestic soft drinks sector but it was not pessimistic, while in its wine and spirits division the company possessed a number of strong brands and the international position would be further reinforced.

Heineken said in its report that the Italian Dreher group, which was jointly owned with Whitbread, was consolidated in its annual accounts for the first time this year, but that the nationalised plants in Zaire were excluded. Besides the inauguration of the Zoeterwoude Brewery, which has so far required investments totalling Fls.245m., and the Zaire setbacks, other main developments in the year included the decision to release the Heineken beer brand—like its Amstel brand had always been—from the fixed retail pricing system in Holland, the very favourable development of beer sales to North America and Nigeria in particular; the start of locally brewed Heineken beer in Norway, the inauguration of the partly-owned Athenian Brewery in Thessaloniki, and the start of production in the new brewery at Lamentin in Martinique. And, further, there was the acquisition of an interest in the British spirits company Duncan Gilbey & Matheson (33.3 per cent.), and the strengthening on the French market of Muetsig beer after a change in marketing. The brand is part of the big Labra Brewery which, it was added, still loses money.

The Heineken annual report said that the 1973-74 sales of about Fls. 1.84bn. beer sales had accounted for Fls. 1.35bn., wines and spirits for Fls. 206m., soft drinks for Fls. 167m. and other sales for Fls. 86m. Various income added Fls. 30.8m. to sales, compared with Fls. 35m. in the year before, leaving an operating result of Fls. 146.6m. (Fls. 163m.).

As a result of the international economic decline and the prices and other measures from the national Governments the operating result of Heineken, expressed in a percentage of sales, declined from 10.3 per cent. to 8 per cent. and from 10.7 per cent. to 8.4 per cent. as a percentage of total capital. Following the greater need for credit throughout the financial year 1973-74, interest charges rose from Fls. 22.6m. to Fls. 35.8m. despite the falling interest rate.

As reported on December 3, Heineken's earnings per share for 1974-75 were down to Fls. 9.93 (Fls. 11.39). An unchanged cash dividend of Fls. 3.50 has been proposed. In addition it is proposed to increase capital by 30 per cent. through a capitalisation issue; a cash dividend of Fls. 1.875 per "old" share of Fls. 25 nominal is proposed to offset shareholders' tax liabilities incurred by the share issue.

THV may pass its dividend

BY MICHAEL VAN OS AMSTERDAM, Dec. 18.

TECHNISCHE Handelsvereniging International (THV), the large Dutch-based international trading company, said to-day that it may pass its dividend this year because the world recession is seriously affecting business. THV added that although results for the full year would show profits, they would be sharply below the expectations expressed in the half-year statement published in September.

THV International, in which Ogen of Rotterdam has a majority stake, paid a dividend of Fls.20 per share of Fls.100 in 1974 when net profits amounted to Fls.17.9m. on roughly Fls.1.28bn. of sales. The half-year statement stated that as an inevitable result of the delayed recovery of the economy, total results for this year would clearly remain behind last year. First half sales had declined and net profits had dipped sharply to Fls.4.7m. (Fls.11.1m. in the same half last year).

THV, which acquired the major Amsterdam-based international trading company Lindeteves-Jacoberg in May this year adding nearly Fls.700m. to its turnover, stated that the recession had underlined too a number of structural problems.

Last week, the Rotterdam-based company said that it had been obliged to reduce its total staff by 700 by the end of next year. A number of forced redundancies seemed inevitable, though it was trying to use a natural wastage procedure as much as possible.

Trade unions however have already rejected THV's plans to curtail staff. These they allege, are linked to the acquisition of Lindeteves-Jacoberg barely half a year ago.

According to a major union representing clerical staff, called "Mercurius," measures should not be tied to a time limit, and the natural wastage process should be speeded up by earlier pensioning, the creation wherever possible of alternative employment, the transfers of jobs to within the OGEM group, and the reschooling of employees.

Patrick bankruptcy petition

BY JAMES FORTH SYDNEY, Dec. 18.

THE SYDNEY Stock Exchange to-day filed a petition for the bankruptcy of 11 share partners of the failed sharebroking firm Patrick Partners.

This follows the appointment of liquidators to the corporate arms of the group, the money market company Patrick Intermarine Acceptances and the investment banker Patrick Corporation, when a scheme to resuscitate the group collapsed. A group of Victorian doctors had been interested in putting funds into a reconstructed Patrick Corporation.

The exchange went to court to protect the position of all creditors, including the exchange itself. However, the general manager, Mr. Peter Marshman, said that the exchange believed its action would not hinder the trustee for the partners in any way. The exchange had been advised that the court would not hear the petition while there was any possibility of the trustee proposing a scheme of arrangement.

The trustee, Mr. Jim Jamison said to-night that he was "frantically" working on a scheme of arrangement for Patrick Partners and was hopeful that it could be finalised and presented to creditors in January.

The exchange said that it was greatly concerned at the position of Patrick Partners and asked Mr. Jamison to submit details of any scheme as a matter of urgency.

Ironically the doctors who were considering investing in the Patrick Group, popped up elsewhere to-day. Mr. Alan Bond, chairman of the property group Bond Corporation Holdings, told shareholders at to-day's annual meeting that it was negotiating to sell its insurance subsidiary, Underwriting and Insurance, to a group of Victorian doctors. He said that he understood that the doctors would issue a prospectus early in the New Year to raise funds to meet the purchase price. A provisional sale of contract had been entered into. Mr. Bond also revealed plans to float its life insurance subsidiary, Shield Life Insurance, to the public early next year.

As to the group, Mr. Bond said lenders continued to support the company, and he expected a substantial improvement for the year, but he warned shareholders not to expect the $A8.9m. incurred in 1974-75 to be corrected in one year.

Claas satisfied despite slow down

BY GUY HAWTIN FRANKFURT, Dec. 18.

GEBRUEDER CLAAS Maschinenfabrik, one of Europe's leading agricultural machinery and harvester manufacturers, appears to have weathered the recession reasonably comfortably. Preliminary figures for 1974-75 show a slow down in growth but "thoroughly satisfactory" profits.

Net group turnover, including overseas subsidiaries, rose by a nominal 5 per cent. to DM600m. during the 12 months ended August 31. In real terms, this was a slight decline on the previous business year when turnover rose by a nominal 24 per cent. and a real 15 per cent.

The number of machines produced declined to about the level of 1972-73, but last year's trend towards larger machines remained unchanged. The fall in production volume led to rationalisation measures which resulted in the trimming of the group workforce from the previous year's 6,786 employees to 6,413.

Figures for the West German parent show a nominal turnover growth of 7.2 per cent. It went up from DM494m. in 1973-74 to DM530m. The slow down in the growth rate compared with the previous year's performance was attributed to the prime markets of West Germany and France. Claas, said the report, had suffered less than most, while several important markets both in Europe and overseas had expanded.

Profits for the parent company were likely to be well over the DM20m. level but below the previous year's DM25m. For the group as a whole, profits would be under the previous year's total, but, considering the economic situation and the agricultural machinery industry's specific problems, they could be considered "thoroughly satisfactory."

Long term benefit had also been gained from the cut-backs and rationalisation measures occasioned by the recession. These had put the group on an even sounder footing for the future.

In a review of the current business year, the report stated that from the present standpoint conditions were certainly healthier than a year ago. Things were looking up in West Germany and other important European markets, particularly France and Denmark where performance last year failed to meet expectations.

Marra rebel voted off

BY JAMES FORTH SYDNEY, Dec. 18.

ONE OF TWO dissident directors of the troubled pastoral group Marra Developments has been voted off the Board after a lengthy and emotional annual meeting. The director was Mr. R. P. Leigo; he was one of two directors who opposed write-offs of $A24m. from assets and intangibles which resulted in Marra declaring a $A26m. loss for 1974-75. Mr. Leigo and the other dissident Mr. E. D. L. Killen have called for the election of two independent directors to the Board, but have not produced any nominations. Mr. Killen said that the company had sold itself short to lenders and shareholders with the write-downs. Marra Chairman Mr. P. Berner told the meeting that although the group produced a loss for the first four months this should be reduced to a "modest figure" by the end of December.

The group should produce a small profit in the second half and go close to break even for the year.

Mr. Berner said the sale of assets would continue until the company had eliminated most of its debts. He revealed that one of the company's larger loans, $A8m. due in April, had been extended by 12 months.

Mr. Berner foreshadowed some form of capital reconstruction after the large debt structure was reduced.

Japanese bank merger studied

TOKYO, Dec. 18.

THE FINANCE Ministry said that it is studying a merger plan submitted for approval by Seiwa Bank and Hirosaki Mutual Loans and Savings Bank.

If the plan is approved, this will be the first merger in Japan between banks of different types, the Ministry said. Seiwa is capitalised at Y800m. and Hirosaki at Y1.6bn.

Banking sources said the local banks planned to merge to improve their efficiency. They felt the impact of the flotation of a large amount of national and local Government bonds and a decline in interest rates.

Reuter

Deutsche Bank $300m loan to Mexico

By Adrian Dicks BONN, Dec. 18

A CONSORTIUM headed Deutsche Bank to-day signed $300m. loan to Mexico, the b. announced to-day from Fr. furt. The loan, which is to for five years, will be on a over basis and will be used marily to finance Mexican pu investments. It represents largest single borrowing Mexico this year.

In addition to Deutsche B. the consortium includes Am dam-Rotterdam bank, Bayeris Landesbank Girozentra Bayerischevereinsbank Ir national, Canadian Impe Bank of Commerce, Comm bank and Wells Fargo.

Warner-Lambert sales up 14 per cen

By John Wicks ZURICH, Dec.

THE AMERICAN pharmaceu concern, Warner-Lambert pany, of Morris Plains, exp a rise in turnover by some 14 cent. for 1975 to over Profits should rise by abou per cent. over the figures last year, which have been vised to the recommendation the U.S. Financial Accoun Standards Board. The estin for this year take into acc reserves of about 10 cents share for pending losses exchange-rate fluctuations.

A breakdown of turn shows that worldwide sale pharmaceuticals and cons goods were higher by 15 per this year and those in the op sector by 7 per cent.—the increase despite what the pany calls "unfavourable c tions."

Warner-Lambert, which a pates further growth in says that new pharmace products introduced this will contribute substantial the growth of turnover. Ph ceutical research, which is ning at a cost of $75m. ann is concentrated on product the treatment of cardio-vas and kidney complaints, tious illnesses and mental plaints, while work also cont on anti-inflammation pro pharmaceuticals to treat b ness and ophthalmological parations. The food and administration is expected to approve use of the com Softcon contact lenses an disinfection system. Am Chicle introduced two ne ducts—"Dynamints," whos should reach over $25m. the liquid-centre chewing "Freshen-Up," for the p tion of which a new $6m. p to be built.

Poor results expected fro Dutch Ford

By Michael Van Os AMSTERDAM, Dec

FORD NEDERLAND, assembles estate cars, a ra lorries, tractors and ind engines, said in a short ment ahead of the annual that operating results wo "considerably below" th 1974. The managemen therefore decided to or interim dividend.

The most recent annual of Ford Nederland said 1974, the operating los amounted to Fls. 2.9m. to a provision for corporat being freed that year, th pany's net loss has been to Fls. 1.5m. No divide paid at all that year after ment of 25 per cent. in 1

Ford Nederland, wh based in Amsterdam, has of around 1,800 people a earlier this year compl number of reorganisations. manufactures Ford's range of trucks, the s transcontinental trucks after having seen its Cortina assemblage bein ferred back to Britain start of the year, it now Ford Escort estate cars was previously carried Germany.

A spokesman said that private cars sales had pi well this year, the ma lorries had received a setback.

SELECTED EURODOLLAR BOND PR MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	102	103
Ashland 8pc 1987	90½	91½
Austraswiss 8pc 1987	90½	91½
Borregaard 8½pc 1989	95	96
Broken Hill 10pc 1990	101½	102½
Carrier 8pc 1987	89½	90½
Conoco 8pc 1985	97½	98½
Consol. Foods 7¾pc 1991	87½	88½
Cutler Hammer 8pc 1987	92	93
EIB 9½pc 1983	101½	102½
ERAP 9¾pc 1985	100½	101½
Esso 8pc 1986 Nov.	99	100
General Cable 8¾pc 1987	89½	90½
General Motors 8¾pc 1986	102	103
Granges 9¾pc 1985	99½	100½
GTE 8¾pc 1986	96	97
New Zealand 9½pc 1982	102	103
Pacific Light 8pc 1988	91½	92½
Prov. of Quebec 7¾pc 1988	87½	88½
Quebec Hydro 8¾pc 1989	98½	99½
Queensland 8¾pc 1987	90	91
Scanraff 8¾pc 1988	97½	98½
Shell 8pc 1986	97½	98½
Stand. Oil (Ind.) 8¾pc 1988	99	100
Tenneco 7¾pc 1987	88	89
Transocean 8pc 1988	98½	99½
Utah 8pc 1987	95½	96½
Volvo 9¾pc 1985	101½	102½
NOTES		
Air France 9¾pc 1982	102	103
Ardal 9½pc 1980	101½	102½
Australia Ind. 10¼pc 1981	103½	104½
Barclays 9½pc 1982	100½	101½
Cie Natl. Rhone 10pc 1982	103	104
Du Pont 7¾pc 1978	101½	102½
Esso 7¾pc 1978	100½	101½
General Motors 8¾pc 1978	100½	101½
Montreal 9¾pc 1981	102	103
Nippon Steel 9¾pc 1980	99½	100½
Norway 9pc 1980	102½	103½
Skandinaviska E. 10¼pc '81	104½	105½

Source: White Weld Securities.

CONVERTIBLES	Bid
American Express 4¼pc '87	[illegible]
Ashland 5pc 1988	[illegible]
Beatrice Foods 4¼pc 1992	[illegible]
Beatrice Foods 4½pc 1992	[illegible]
Borden 5pc 1992	[illegible]
Broadway Hale 4¼pc 1987	[illegible]
Canon Camera 7¼pc 1989	[illegible]
Carnation 4pc 1987	[illegible]
Chevron 5pc 1988	[illegible]
Dart 4¼pc 1987	[illegible]
Eastman Kodak 4½pc 1988	[illegible]
Economic Labs. 4½pc 1987	[illegible]
Fedai 7½pc 1989	[illegible]
Fed. Dept. Stores 4¼pc '85	[illegible]
Firestone 5pc 1988	[illegible]
Ford 6pc 1986	[illegible]
Ford 5pc 1988	[illegible]
General Electric 4¼pc 1987	[illegible]
Gillette 4¾pc 1987	[illegible]
Gould 5pc 1987	[illegible]
Gulf and Western 5pc 1988	[illegible]
Harris 5pc 1992	[illegible]
Honeywell 6pc 1986	[illegible]
ITT 4½pc 1987	[illegible]
Komatsu 7½pc 1990	[illegible]
J. Ray McDermott 4¾pc '87	[illegible]
Mitsui 7¼pc 1990	[illegible]
J. P. Morgan 4¼pc 1987	[illegible]
Nabisco 5½pc 1988	[illegible]
Owens Illinois 4½pc 1987	[illegible]
J. C. Penney 4½pc 1987	[illegible]
Pioneer 6½pc 1989	[illegible]
Rank 4½pc 1993	[illegible]
Revlon 4¾pc 1987	[illegible]
Sperry Rand 4¼pc 1987	[illegible]
Squibb 4¼pc 1987	[illegible]
Texaco 4¾pc 1988	[illegible]
Toshiba 6½pc 1990	[illegible]
Union Carbide 4¾pc 1982	[illegible]
Warner Lambert 4½pc 1987	[illegible]
Warner Lambert 4¾pc 1988	[illegible]
Xerox 5pc 1988	[illegible]

Source: Kidder Peabody S

NORTH SEA OIL REVIEW

BY RAY DAFTER

The roaring Forties

THE PROBLEMS currently hitting operators on the Beryl and Auk fields *once again illustrate* the ferocity of winter conditions in the North Sea and the true significance of what is euphemistically called the "bad weather window."

Storms seem certain to hold up production progress on both these fields, while development work in general has appreciably slowed down, as usual at this time of the year. Almost in defiance of the weather, however, British Petroleum is pushing ahead with production from its Forties Field, which is *already ahead of schedule.*

For the second successive winter BP will carry on construction work, with the object *of delivering 250,000 barrels a* day to the mainland by next summer. All told, an army of over 1,000 men will be kept on station in the Forties *during the* winter months, an important decision if the field, developed at a cost of £745m., is due to reach peak position production of 400,000 barrels a day—equivalent to about 25 per cent. of the U.K.'s current consumption—by the April-June period of 1977.

Insight

Those *men on Forties face* an uncomfortable few months. Weather data are improving all the time, but are still far from *being totally reliable.* Information from Shell/Esso's exploration programme last winter gives some insight into the *problems,* however.

In December last year, the group's four semi-submersible rigs—Staflo, Ocean Voyager, *Sedco 700* and *Sedco* 135G—were inoperative for 42.5 per cent. of the time on average. In January the "down-time" for both Ocean Voyager and *Sedco* 135G was 61 per cent.

Several factors are at work. For a start Shell reckons that it must shut down drilling operations when there are waves of 30 feet or more. As this cannot be done quickly, an operator must anticipate when conditions are deteriorating. Thus, the downtime is added to.

Then there is the problem of supplying the rigs with drill pipes, casings, cement and other essentials. This equipment cannot be loaded from supply barges to rigs when waves are of 15 to 20 feet or above. In the height of winter there are 15 feet-plus waves for 75 per cent. of the time, again placing severe restrictions on operators.

While bad weather does not affect gravity fixed units, like Condeep, so badly as the semi-submersibles, they are far from immune from the ravages of winter storms. For example, it is inadvisable to use cranes in winds of 50 mph or more.

It is against this background, therefore, that Mobil and Shell/*Esso have been having problems* with their Beryl and Auk fields respectively. The most dramatic difficulties undoubtedly have *occurred with Beryl.*

A serious accident, as yet undisclosed, left part of the field's tanker loading facilities adrift in heavy storms. It is generally believed, however, that a 480 feet articulated steel tower separated from its base at the universal ball-joint. The system used was designed to allow the tower to tilt up to 20 degrees *from the vertical,* an *ironic* twist to the weather-fraught accident. For this method of tilting was designed specifically to reduce some of the "down time" when tankers cannot load because of the heavy seas.

After an incident packed rescue operation, in which the tower broke free from its tow line in Force 11 winds, the structure has now ben taken to Stavenger, Norway, for inspection. The operating group, which includes Mobil, Amerada, Conoco, the Gas Corporation, Gulf, the National Coal Board and Texas Eastern, must now wait for better weather before a submarine can inspect the concrete pad which formed the gravity base for the single buoy mooring tower.

Beryl, with an estimated 600m. barrels of recoverable reserves, was due to come on stream in mid-January and to produce around 50,000 barrels *a day (around 3 per cent. of* U.K. consumption) next year. But the accident could well delay the start up for six *months, say until June or July* next year.

On Shell/Esso's much smaller Auk Field, the operators have also been having problems with the single buoy mooring system. Two of the eight anchors securing the mooring unit had not embedded themselves. While the problem is believed now to have been solved, a survey is needed before production can start. A diving team will require three or four consecutive days of relatively calm weather, with waves of six feet or less, to carry this out.

Consequently the field, which *was due on stream in November,* is unlikely to start producing until early or mid-January at the earliest. Coupled with the delays which have already occurred to other fields, including Brent and Piper, it is unlikely that next year's total production will amount to no more than 300,000 to 350,000 barrels a day compared with *the 500,000 b/d forecasts made* only a year ago.

The uncertainties of weather, and that and other factors effect on whether a development programme is completed on time, obviously influence the financial performance of a particular field, a point made by Wood, Mackenzie *in its latest report* on risk analysis. The company comments that, while Auk still remains one of the more attractive commercial discoveries, the accident and start-up delay could have reduced the discounted cash flow return on the field from 46 per cent. to 38 per cent.

Delays are just *one factor* to be considered in evaluating a field's commercial potential, however. Other risks include *the uncertainty of future oil* prices (hence Britain's fight in the EEC for a minimum safeguard level); uncertainties over the geological characteristics of the field; and development cost inflation.

Of three fields studied by Wood, Mackenzie (Brent, Heather and Claymore), Brent emerges as the least sensitive to risks, basically because *it is a* large field with a relatively long production life. Heather, on the other hand, is much more sensitive; a $1 per barrel reduction in oil prices could cut its dcf return from 22 per cent. to 18 per cent.

Despite the risks, exploration —and finds—have continued at a fairly brisk pace throughout this year. Encouraging new shows of hydrocarbons have apparently been found on Pan Ocean's Brae Field on block 16/7, while, in the past few days, significant gas finds have been reported by Trans Ocean on block 48/12 and by Zapata on 21/2. This latter discovery is particularly interesting as it turned up only 3½ *miles from an earlier oil show of around* 5,540 barrels a day.

On the other side of the coin, the Transworld group could only have been disappointed with its average flow rate of 500 barrels a day from its third well on block 21/1. Indeed, the results must raise questions about how easy it will be to obtain an oil flow from the eastern section of the 5,000-acre field. What is *clear is that more tests are* needed: recoverable reserves, once estimated at around 500m. barrels, could well be nearer *350m. to 400m.* on latest information.

Name

In spite of the disappointing well the operators went ahead and named the field Buchan. It may have seemed an inopportune movement for a naming ceremony but it probably had something to do with an internal disagreement among the operating consortium over the actual name of the field. Apparently, some of the group's members wanted to call the field after the second, extremely successful well but they could not agree on a suitable name.

In any case, the Transworld group still seems to be expecting production to start at the end of 1977 or early in 1978, possibly at the same time as further exploratory tests are being carried out. As a result *Transworld may well instal an* interim production system capable; perhaps a semi-submersible rig with storage facilities, but one capable of withstanding 100 feet waves—a reminder of the hostile operating conditions in the North Sea.

RIG MOVEMENTS OFFSHORE THE U.K.

OPERATOR	RIG	BLOCK	OPERATOR	RIG	BLOCK
Amoco	Sedco 135F	211/27-5	Phillips	Ocean Rover	23/22-1a
BP	Sedco 703	3/8-4	Placid	Venture 1	29/2-1
BP	Sea Quest	23/26-1	Ranger	Sedneth 701	23/27-3
Chevron	Ocean Kokuei	3/3-6	Shell	Ocean Voyager	210/25-2
Conoco	Britannia	49/12-F	Shell	Sedco 700	211/21-4
Conoco	Norjarl	211/19-4	Shell	Staflo	30/16-6
Conoco	Dundee Kingsnorth	16/23-2	Shell	Chris Chenery	211/13-3
Conoco	Pentagone 82	211/19-5	Siebens	Western Pacesetter	2/10-2
Mobil	Dyvi Alpha	9/13-10	Sun	Penrod 71	22/8-1
Mobil	Sedco 704	9/13-11	Texaco	Zephyr 1	15/16-6
Mobil	Transworld 61	Firth of Forth	Texaco	Drillmaster	15/29-2
Occidental	Borgny Dolphin	15/17	Total	Zapata Ugland	21/3-2
Occidental	Ocean Victory	15/17-8	Trans Ocean	Gulf Tide	48/12-2
Pan Ocean	Odin Drill	16/7-3	Zapex	West Venture	21/2-2
Petronord	Deep Sea Driller	10/1-3			

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, December 17. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank *of America NT & SA does not* undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

Eurodollar Libor rate as of December 18 at 11.00
3 months: 6½ 6 months: 7¾

SDR 1 = $US 1.16959

Country	Currency	Value of DLR
Afars & Issas	Djibouti Franc	186.12
Afghanistan	Afghani (o)	45.30
Albania	Lek (o)	4.0941
Algeria	Dinar (a)	3.8568
Andorra	Fr. Franc	4.4710
	Sp. Peseta	59.79
Angola	Ang. Escudo	27.26
Antigua	E. Caribbean $	2.7734
Argentina	Ar. Peso (m)	58.09
Australia	Australian $	0.7965
[illegible]	[illegible]	[illegible]

Country	Currency	Value of DLR
Guadaloupe	Local Franc	4.4710
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Rep.	Sily	n.a.
Guinea Bissau	Port. Escudo	27.28
Guyana	Guyanese $	2.5494
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	H.K. $	5.0490
[illegible]	[illegible]	[illegible]

Country	Currency	Value of DLR
P'ple D. Rp. of Yemen	S. Yemen Dinar	0.3454
Peru	Sol	45.00
Philippines	Ph. Peso	7.62
Pitcairn Is.	NZ $	0.9601
Poland	Zloty (m)	19.92
Portugal	Port. Escudo	27.26
Port Timor	Timor Escudo	27.28
Principe Isle	Port. Escudo	27.26
Puerto Rico	U.S. $	1.00
[illegible]	[illegible]	[illegible]

HOME CONTRACTS

£10.5m. work for Costain

COSTAIN CONSTRUCTION has been awarded a £10.5m. contract by the London Borough of Greenwich to build phase four of the Woolwich Common redevelopment. Costain is already building phase 2 under a £6.1m. contract. The scheme comprises 16 bungalows for disabled people, 93 two- three- and four-bedroomed houses, a three-storey block of 12 flats and a block of 437 flats with basement garages. Work also includes roads, parking areas, drainage and associated external works.

*

WHESSOE has won a contract worth more *than £5m. for the* construction and assembly of six process modules for the central production platform of the Ninian Field in the North Sea. The units are scheduled for delivery early in 1977.

*

FAIREY HYDRAULICS, Hounslow, Middlesex, has won further orders, worth more than £500,000, for the Harrier aircraft construction programme. They bring the total value of Harrier work won by the company to over £3m.

SNOW REPORTS

	Depth (cms.) L	U	State of Piste	Weather	°C
SWITZERLAND					
Adelboden	30	60	Good	O'cast	—4
Andermatt	30	70	Hard Snow	Fog	—1
Arosa	64	80	Pwdr.	O'cast	—9
Davos	50	90	New Snow	Cl'dy	—3
Grindelwald	30	80	Good	O'cast	—6
Gstaad	10	70	Pwdr.	O'cast	0
Klosters	65	90	New Snow	Snow	—3
Muerren	60	60	Good	Fog	—1
Saas Fee	56	120	Pwdr.	Sunny	—5
Verbier	20	100	Good	O'cast	0
Wengen	30	30	Good	Cl'dy	—3
Zermatt	60	90	Pwdr.	Sunny	—5

BANK RETURN

—	Wednesday Dec. 17 1975	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	23,146,797	+ 2,545,583
Special Deposits	920,305,000	— 8,400,000
Bankers	380,375,315	— 1,124,884
Reserves & Other A/cs	366,572,220	— 53,841,775
	1,704,952,332	— 60,821,096
ASSETS		
Govt. Securities	1,300,596,533	— 64,650,000
Advance & Other A/cs	267,885,253	+ 3,785,061
Premises, Equip't & other Secs	83,587,413	— 88,432
Notes	2,686,126	— 9,578,878
Coin	189,607	— 66,837
	1,704,952,332	— 60,821,096
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	6,500,000,000	+ 350,000,000
In Circulation	6,497,313,874	+ 359,578,878
In Bank'g Dept.	2,686,126	— 9,578,878
ASSETS		
Govt. Debts	11,015,100	—
Other Govt. Secs.	5,770,219,670	+ 351,695,506
Other Securities	718,165,230	— 1,695,506
	6,500,000,000	— 350,000,000

Rand Selection Corporation Limited

(Incorporated in the Republic of South Africa)

Extracts from the review by the Chairman, Mr. G. W. H. Relly

Consolidated net equity earnings for the year ended 30th September 1975 increased to R48 101 000 from R43 911 000 for the previous financial *year. Earnings a share for the year amounted to 114.5 cents on the* marginally increased ordinary share capital. This figure compares with 113.6 cents a share for the year ended 30th September 1974 which was adjusted to reflect that profits of the Rand Selection Insurance Holdings *Limited (RSI) group of companies had accrued during only a part of* the year.

Rand Selection's investment in the gold mining industry continues to represent the major part of its portfolio and remains its principal source of investment income in spite of the decline in the market valuations and pre-devaluation earnings of nearly all gold mines in recent months. Despite the sharp decline of the dollar price of gold in September this year, the average during the Corporation's latest financial year was *$169 an ounce, 20 per cent above that of the previous year.*

As a result of this relatively high average price, and sales of gold from reserves equivalent to approximately 1.5 per cent of production, the industry's revenue increased by 9.6 per cent despite a further fall in production of nine per cent. These results were affected only marginally by the 17.9 per cent rand devaluation on 20th September but the change in parity does mean an effective increase of nearly 22 per cent in the rand proceeds of a dollar's worth of gold which will *obviously be of considerable immediate benefit to the gold mining* industry. Inflationary increases in working costs and capital expenditure have, however, had a marked effect on the profitability of the mines and with the current uncertainties regarding the short-term future of *the gold price and continuing cost pressures, the efforts being made to* increase productivity assume critical importance for the future of the industry.

In assessing the present uncertain state of the gold market it has to be remembered that this is not the first time during the upward movement of the past few years that the price has suffered reversals: in each of the last three years something similar has occurred. In contrast, however, the most recent decline was not a typical reaction to *the rapid rise of an intensely speculative market, but followed a period* of relatively stable prices which were maintained after adjustment to the extraordinary upsurge of late 1974. At that time expectations related to gold ownership by United States citizens in conditions of *growing alarm about world economic inflation propelled the price to* new heights.

During early 1975 the world economic slowdown had an adverse effect on fabrication demand. There was, however, a strengthening of *investment demand, especially for Krugerrand,* at a time of a weak dollar and declining interest rates, and this was reflected by the relative firmness of the price in spite of the two U.S. gold auctions in January and June. Nevertheless, the unusual combination of a downturn in economic activity that was steeper than had been anticipated, and of a continually strengthening dollar after March, together with the subsequent upturn in interest rates as the battle against inflation took priority over economic growth, inevitably affected investment demand

Analysis of general investment portfolio and general investment income

	Value of investment percentage 1975	1974	Investment income percentage 1975	1974
By prime source:				
Mining—Gold and uranium	58	68	63	60
Diamonds	7	6	9	10
Copper	2	2	3	6
Platinum	2	2	2	4
Coal	3	2	2	2
Other	4	3	2	2
Industrial	14	11	15	13
Property	3	2	1	—
Financial	7	4	3	3
	100	100	100	100
Geographical:				
South Africa	88	90	92	90
Rest of Africa—south of equator	4	4	4	7
Europe	3	2	2	2
North America	4	3	2	1
Australia	1	1	—	—
	100	100	100	100

and the price weakened perceptibly in August. In these circumstances, *with growing awareness of the implications of* Russian grain requirements, it is hardly surprising that the apparent consensus on gold, as announced in the International Monetary Fund Interim Committee's communiqué, should have led to a further weakening in *price, whereas previous statements of similar intent had been shrugged* off by the market. It was precisely because world conditions were so depressed that, contrary to the usual cynical expectations, understanding could be reached on the question of gold and IMF quotas, although a solution remains to be found on the crucial question of currency exchange rates.

It can be argued that the Interim Committee's accord represents a victory for the American anti-gold lobby, although I believe that the *reverse is the case and that it is really a step towards the remobilisation* of the metal as a reserve asset. Admittedly the threat of the disposal of 25 million ounces of gold and the restitution of a further 25 million ounces to member countries from IMF stocks is a potential supply *factor of considerable magnitude. Against this,* however, must be set the vested interests of central banks which hold gold, and the fact that they will be free, subject to certain limitations, to engage in transactions at market related prices. Furthermore, the importance of gold has been enhanced by the proviso that its sale, under the first *proposal, to yield the specified profit of $2.5 billion* to the trust fund formed for the benefit of the developing countries implies a theoretical floor price of approximately $142 an ounce. There are, moreover, formidable legal and technical obstacles to be overcome before the *IMF's stated objectives can be fulfilled, quite apart from the ambiguous* implications of the discussions to be held next January on the issue of exchange rates.

The power of governments to exert their wills against gold has been enhanced by the prolongation of the international recession, and the consequent strength of the U.S. balance of payments. The so-called understanding on gold is itself a child of its times and it is probable that its ostensibly unfavourable implications will fade as the underlying conditions change. Indeed, recent developments have already begun to suggest that this is the case. It may, of course, take longer for the gold price to recover substantially from the present setback than it has from others. I have every confidence, however, that its future is *fundamentally secure and we may well find, after a period,* that gold's role in the international monetary system has been further strengthened.

Preoccupations with energy sources of all kinds continued during the year. Although no commercially viable oil deposits have yet been discovered in South Africa, the country is fortunately endowed with significant coal reserves and, with the increased price of crude oil, both domestic and export demand for coal has strengthened considerably. The coal mining industry still suffers, however, from low *profit margins, and unless the formula for the controlled price of* domestic coal is altered to permit investors to earn a sufficiently attractive return on their capital, it will be difficult to attract the additional finance needed for major expansion, modernisation and the *introduction of the five-day working week. In order to create a* substantial vehicle for coal mining investment that will be sufficiently powerful to attract this capital in both domestic and overseas markets, The Vereeniging Estates Limited, Amalgamated Collieries of South Africa Limited, The Coronation Collieries Limited, and South African Coal Estates (Witbank) Limited, are to merge their activities, subject to their shareholders' approval, with those of the unlisted companies Anglo Power Collieries (Proprietary) Limited, Blesbok Colliery Limited, New Largo Colliery Limited and Transvaal Coal Corporation Limited. The vehicle for the merger is Vereeniging Estates which will be renamed Anglo American Coal Corporation Limited (Amcoal).

The creation of Amcoal will provide its shareholders with the opportunity to hold a long-term investment of considerable growth potential in coal resources. It has been agreed that the new company may exercise, free of consideration, the approval in principle granted to Anglo American Corporation of South Africa Limited by the South African Government to export 100 million tons of bituminous coal over a 20-year period. Anglo American has also undertaken to ensure that sufficient bituminous coal reserves in the Transvaal will be made available from present and any future reserves held by group companies to satisfy Amcoal's future requirements. Amcoal's business will thus *be well balanced between the price-controlled but stable domestic* market and the more profitable but volatile export activities.

Rand Selection's energy resource interests are, of course, not vested only in coal. Through Amgold and directly, the Corporation has *interests in a number of uranium producers including* Vaal Reefs Exploration and Mining Company Limited, Western Deep Levels Limited and President Brand Gold Mining Company Limited as well as The Afrikander Lease Limited with its uranium potential. At present projected uranium production is adequate to meet demand until the end of this decade. In the early 1980s however, it is predicted that demand could exceed supply and as a result, world uranium prices have already improved considerably.

The Corporation is also interested in the oil and gas industry through its investment in Minerals and Resources Corporation Limited (Minorco) and its indirect interest in Hudson Bay Mining and Smelting Company Limited (Hudbay). Through a subsidiary, Francana Oil and Gas Limited (Francana), Hudbay owns the controlling interest in Trend Exploration Limited (Trend), an oil and gas exploration company based in the United States, in which Minorco owns the balance of the stock. Trend has oil and gas producing properties in the United States and Canada, and in Indonesia is participating *in a joint venture with the State oil company of that country.* It is conducting an active exploration programme in the United States as well as in the North Sea, Celtic Sea, Italy, Paraguay and Cameroon. Both Francana and Western Decalta Petroleum in which Hudbay also has a substantial interest, own producing and exploratory oil and gas properties in Canada and the United States and are well placed to participate in the search for new sources of oil and gas through their North American and international exploration programmes.

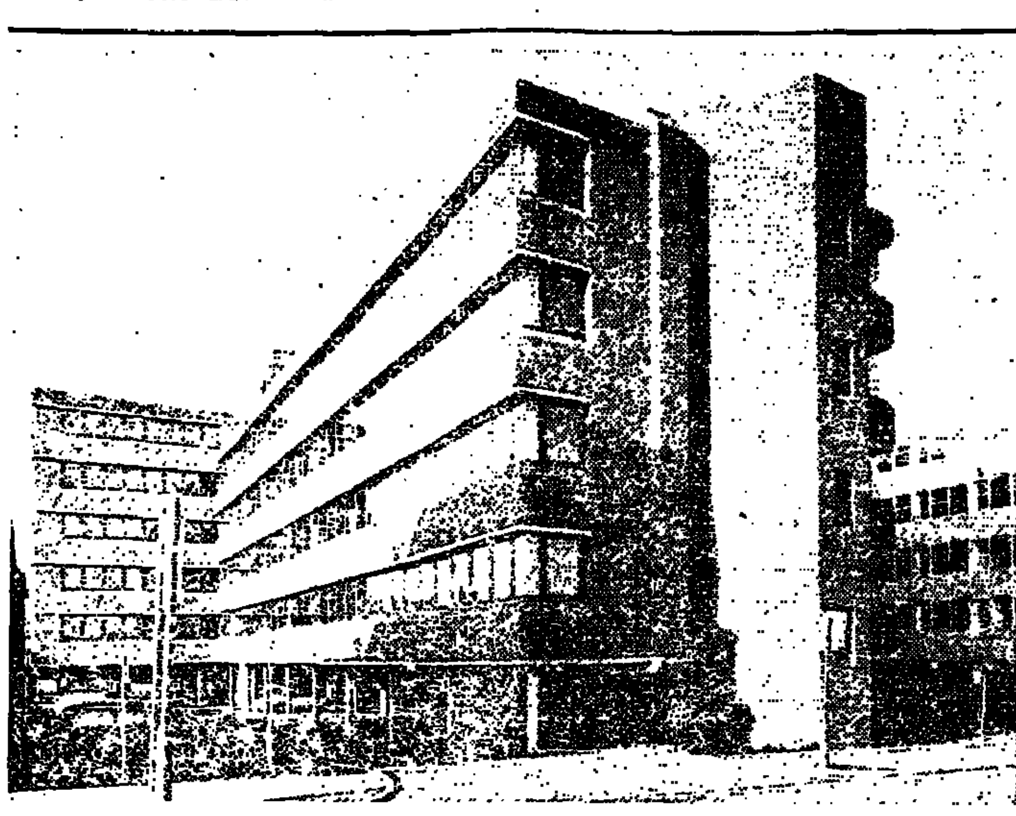
In 1974 Rand Selection acquired Schlesinger Insurance and Institutional Holdings Limited (SII) and SII has since been renamed Rand Selection Insurance Holdings Limited (RSI). This past year is the first in which the Corporation's financial results include those arising from an *entire year's trading by its new subsidiary. RSI's major investments are* in the life assurance field, with a 75 per cent holding in the equity of African Eagle Life Assurance Society Limited. The African Eagle group had total assets at 30th September 1975 exceeding R417 million, *compared with R355 million at 30th June 1975 and R94 million ten* years ago. For the first time, combined premium and investment income this year has risen to more than R100 million annually by reaching R124 million compared with less than R20 million in 1965. This is a *remarkable growth record* and the group is well placed to continue this pattern and increase its share of the country's assurance market.

During the year negotiations were entered into with Barclays National Bank Limited (Barclays) as a result of which that company, the largest banking organisation in South Africa, *acquired the entire issued share* capital of Wesbank by means of an issue of shares. This transaction has resulted in Rand Selection and associates becoming Barclays' principal South African shareholders. As a result of these arrangements it was *agreed that the Corporation would receive one third of any profits or* make good one third of any losses which might arise in the course of the closure of Wesbank's London branch.

The 84th annual general meeting of Rand Selection Corporation Limited will be held in Johannesburg on 23rd January, 1976 at 15h00. Copies of this review and the Annual Report and Accounts are obtainable from the London office of the company at 40 Holborn Viaduct, EC1P 1AJ or the office of the transfer secretaries, Charter Consolidated Limited, P.O.-Box 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.

The Property Market

BY QUENTIN GUIRDHAM



Bovis sells one, starts another

Since Bovis fell victim to the secondary bank-property crisis, information about its own property division has inevitably dropped in line with its new status as a subsidiary of a subsidiary. In arriving at acquisition terms nearly two years ago P & O wrote down some £38m. in arriving at the group's asset value (the last annual report concluded that this was a correct estimate). But relatively few problems were reckoned to stem from the property development side, which started to play a significant role in the group in 1970.

A couple of pointers to the way things are going have cropped up this week. First, the T-shaped office building shown above, Wessex House at Eastleigh, has been sold for £1.4m. to Sun Alliance and London Assurance. But this is a sale-and-leaseback arrangement, with Bovis still left to market the space at £3 per square foot. Letting agents are Brecker Grossmith and 14,000 square feet of the 29,000 square feet total is now under offer.

Bovis was early into Eastleigh, an expanding town five miles north of Southampton city centre, and in 1972 developed the next door block, let to the local authority. Its U.K. portfolio is largely made up of regional offices, with around 30 per cent. of industrial property.

The second deal comes under Bovis Properties (Scotland) and, like the Edinburgh development by Rothesay Securities (CI) reported last week, it involves the Scottish Amicable. The site is at the junction of Leith Walk and Annandale Street, off the south end of Princes Street. The joint development will produce 29,000 square feet on four floors. Completion is scheduled for summer 1977.

In the New Year, Bovis will have its Millburn Gate, Durham, shopping and office development officially opened. Of the three stores and 28 shop units, only two shops are unlet.

Where the picture is less well defined is on the Continent, which involves around 40 per cent. of Bovis's developments. Having arrived among the first British in Paris, it has done well out of its early schemes, including the 16,000 square metre L'Opera Lafayette offices which are fully let, with another 12,000 square metre office 80 per cent. let.

There are three other Paris office developments, two under construction now and the other less than half let, as well as two major French industrial schemes. In Belgium, all the Antwerp space—21,700 square metres of office, 33,300 square metres industrial—is let, with the second phase of the main industrial development under construction but no start yet on a 6,700 square metre Brussels office. Similarly most of the Dutch space has been filled. In Spain there is a 12,800 square metre office just completed but not let.

This looks to add up to a reasonable track record, but what it is all worth won't be clear for some months as P and O has changed its accounting year end from September to December. Last time it talked of the "impossibility of establishing market values." The Bovis side is currently doing its own study.

Meanwhile P and O has sold a bit of its London waterfront. A local company has bought a site known as The Stowage, Deptford, three acres with a wharf frontage of 450 feet for what agents Jones, Lang, Wootton say was close to the asking price of £150,000.

Trafalgar House's sales plans

While the Stock Market's main interest has been anticipating and assimilating MEPC's £45m. provisions and its own special version of the 1975 valuations puzzle, within the week three other major property companies have offered evidence of varying quality.

The idea that the Co-operative Insurance's majority holding and numerical dominance of the Oldham Estates Board would materially alter the style of the annual general meeting proved wrong. A more convenient timing did not swell attendance above 25 and Harry Hyams, besides exercising his repartee at the expense of the usual Oldham-watchers, revealed nothing bar Wimpey's inaction so far on an option it has to get the chairman and the Co-Op to purchase its remaining 17m. shares.

The half-year from Capital and Counties showed clearly the need for the new borrowing limits approved during the week. Shareholders' funds have slipped a bit further since the year end, down £2.5m. to £83.2m. with the "relevant" debt up to a total of £240m. The increased debt is due to the fall in sterling, with more than half Capital and Counties' borrowings in U.S. or Canadian dollars.

The revenue before interest and tax is slightly down and the chairman states that "it is unlikely that a significant profit will be made for the year." But one important matter has been settled since the delayed annual report last month: The Eldon Square shopping centre in Newcastle, the remaining U.K. development of any size, has now been funded by a nationalised industry pension fund. Even before this sale-and-leaseback the U.K. borrowing had apparently been reduced significantly.

Trafalgar House's annual report includes the ironic comment: "Although we avoided catastrophic exposure to the property boom . . ."

There is still around £7m. left to finish the central London developments which stand in the books at £40m. These are "unlikely to be let or sold on attractive terms for another year or two." The ones to be let next year are the Billiter Building, Bush Lane House, Broad Street House and 120, Fenchurch Street. Leadenhall House is now seven-eighths let and the company hints that there is another large letting in the pipeline.

The report says that "the recent weakness in City rents largely reflects a multitude of minor disposals of small areas whose former tenants include many victims of the economic situation." The pool of unlet accommodation "is not excessively large" given the shut-down of new developments. But the plan, in due course, is to dispose of "much of the remainder of our holdings of investment property."

Industrials: a rise might be sharp

The Chamberlain and Willows market report for the year finally produces a rather less gloomy view for the future than its catalogue of 1975's woes for industry and industrial property might suggest. This is despite their latest figures showing a total of inquiries received at 34.75m. sq. ft., nearly 19 per cent. down over 1974.

They are experiencing more activity with freehold and long leasehold industrial properties than earlier in the year and reckon the rental demand for smaller modern single storey factories and warehouses remains steady in the better locations.

It is interesting that these leading agents, much of whose report emphasises the need to try only for "realistic" prices and rents in the present market, nevertheless think that a fairly sharp change could occur in the industrial sector if the economy showed signs of recovery.

Thus, in urging that development should continue, they argue that "if new well-designed factories and warehouses are not readily available in the right place at the right time, as soon as it is anticipated that there will be resurgence of world trade and home demand, market forces will operate to inflate the price of industrial buildings to record levels. We doubt whether current over-capacity will be sufficient to satisfy substantially increased demand in any major reinflation of the economy because so much of the available space is old or poorly located."

OUT AND ABOUT

● Having centralised its warehouse and office operations by taking 198,000 square feet on Artagen Properties' Viking Industrial Estate, Bedford (the rent is around 90p per square feet), MFI Warehouses has sold its interest in a 99 year lease of a 26,400 square feet warehouse on Lodge Farm Industrial Estate, Northampton. There is room for expansion on the 2.1 acre site, and the buyer is Everest Double Glazing Home Insulation for £205,000. Debenham Tewson and Chinnocks acted for MFI and Messrs. Wilson and Partners introduced the buyers.

● Giltspur has disposed of leasehold industrial premises totalling 108,000 square feet plus four acres of land on the Barton Park Industrial Estate, Eastleigh, Hants. Giltspur had a 42-year lease from 1972. The buyer, National Bus Company subsidiary Hants and Dorset Motor Services has paid a premium which reflects a rent of 85p-90p against 60p. The first review is in 197[illegible] Taylor Rose acted for Giltspur, King and Co. for the bus company.

● George Bassett and Co. has taken a 27,000 square feet unit on Slough Estates' Beeches Estate, Yate to use as a distribution centre for the south west. The price was around £1 per square foot. A total of 170,000 square feet on the estate is now let to tenants including Bowater, Littlewoods, Harbutts Plasticine and Securicor, with one unit of 7,000 square feet warehouse and 3,500 square feet of offices let at an asking rent of £14,000 p[illegible] There is space for a further 150,000 square feet. Donaldson and J. P. Sturge of Bristol are joint sole letting agents; Bassett were represented by Edward Laycock and Co.

● The covered shopping centre at Rutherglen, Greater Glasgow District, has been opened. Developers are Score Property Developments, a member of the Cruden Group, in association with the Norwich Union, with the four acres leased from the local authority. Healey and Baker have three shop units, from the [illegible] shops, one supermarket and Government offices, still to let.

● Equity and Law Life Assurance Society's associate Granvista Properties has spent £350,000 on retail investments in Rotterdam and The Hague. The Rotterdam unit is in the Kor[illegible] Lijnbaan, next to the block bought by Abbey Life Property Bond in 1973, and is thought to be the first freehold to change hands in the area for more than a year. The Hague units are Nos. 11-13 Venestraat.

LEGAL NOTICES

No. 004088 of 1975
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of HENRIES PRODUCE (BRENTFORD) LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 9th day of December 1975, presented to the said Court by COVELLI'S FOODS LIMITED whose registered office is situate at 16/18, Truman Street, Kimberley in the County of Nottingham, Manufacturers of Toffee Apples, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 19th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BERRYMANS,
124 Salisbury House,
London Wall,
London EC2M 5QN.
Agents for: BERRYMAN & CO.,
Nottingham.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 16th day of January 1976.

No. 004059 of 1975
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ADASTRAL EXPORTS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 9th day of December 1975, presented to the said Court by J. T. MEREDITH & CO. (ENGINEERING) LIMITED whose registered office is at [illegible] Street, London SE1 [illegible] and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 19th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

MURRAY MACLEAN & CO.,
[illegible] Road
Kingston upon Thames,
Surrey, KT1 [illegible]
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 16th day of January 1976.

No. 003971 of 1975
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of STARFOLDS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 28th day of November 1975, presented to the said Court by MORGAN RECORDING STUDIOS LIMITED whose registered office is at [illegible] Albemarle Street, London W1X [illegible] and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 12th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HERBERT OPPENHEIMER, NATHAN & VANDYK,
20, Copthall Avenue,
London EC2R 7JH.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of January 1976.

COMPANY NOTICES

CITY OF BERLIN 6% (NOW 4½%) STERLING LOAN 1927

NOTICE IS HEREBY GIVEN that in carrying out the operation of the Sinking Fund of 1st January, 1976, in respect of the above Loan, the under-mentioned Bonds amounting to £48,260 were this day drawn by lot by EDWIN BRUCE WALKER (of Messrs. De Pinna, Scorers & John Venn), Notary Public, for repayment at par on the 1st January, 1976, from which date all interest thereon will cease:—

8 Bonds for £1,000 each
32 Bonds for £500 each
237 Bonds for £100 each
28 Bonds for £20 each

[illegible]

RECAPITULATION

8 Bonds for £1,000 each	....	£ 8,000
32 Bonds for £ 500 each	....	£16,000
237 Bonds for £ 100 each	....	£23,700
28 Bonds for £ 20 each	....	£ 560
		£48,260

The above-mentioned Bonds with coupons due 1st July, 1976, and subsequently attached may be lodged for repayment on or after 1st January, 1976, at the office of J. Henry Schroder Wagg & Co. Limited, Coupon Department, 120 Cheapside, London, E.C.2 between the hours of ten and two o'clock.
LONDON, 15th December, 1975.

THE SOUTH AFRICAN LAND & EXPLORATION COMPANY LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER
PAYMENT OF COUPON NO. 74

[illegible]

Amount of dividend declared ... 22.3
Less U.K. income tax at 20% ... 4.500
14.625

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED
London Secretaries
[illegible]
40, Holborn Viaduct, London EC1P 1AJ.
19th December, 1975.

[illegible]

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF PREFERRED STOCK WARRANTS TO BEARER
PAYMENT OF COUPON NO. 94

[illegible]

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED
London Office:
40, Holborn Viaduct, EC1P 1AJ.
18th December, 1975.

[illegible]

FOR INVESTMENT

[illegible]

CHICHESTER CITY. For sale, 3,600 sq. ft. [illegible]

CITY OF LIMA
(The Honourable Provincial Council of Lima)
5% FIRST MORTGAGE BONDS
[illegible]

COMPANY NEWS

Long term optimism at Plaxton's

CONTINUING rising costs and reduced margins must affect the current year outcome the chairman of Plaxton's (Scarborough), Mr. F. W. Plaxton, says, but he is still optimistic regarding long term prospects, given a curtailment of inflation and an upturn in national trading conditions.

He adds that in the current year, commencing output of Supreme coaches and profitability has been affected by the overrun of Elite production at last year's prices.

Although prices set for this year reflect a much greater percentage increase than ever before, it was not deemed commercially prudent to pass on all the costs caused in the main by the "massive" national rate of inflation, and to some extent by new methods of construction.

Nevertheless, the company has a "very healthy" order book which includes many repeat orders together with an order for telecommunication vans for the Post Office.

As reported on November 29 pre-tax profit for the year to August 31, 1975 contracted from *£933,713 to £765,013* and the dividend is maintained at 5.9025p net per 25p share.

As known, production in the first half of the year under review was "very seriously" restricted by a continuation of the shortages of coach chassis. For five months the company was obliged to work 3-day week and ultimately to reduce the labour force by approximately 12½ per cent.

Improved deliveries of chassis in the spring attracted a large number of late orders which had the effect of extending the Elite body programme into the beginning of the current year. This in turn delayed and complicated the change-over to new steel framed Supreme bodywork.

Good progress was made in the overseas *market, the chairman* reports. An agent has been appointed to market the company's products *in Denmark and* negotiations are in progress towards establishing other agencies in Holland, Belgium, Germany and Austria.

Meeting, Scarborough on January 9 at 2.30 p.m.

Southern Television advance

Southern Television announces an improvement in taxable profit from £1.31m. to £1.95m. for the 53 weeks to October 31, 1975.

	1974-75 £	1973-74 £
Turnover	14,563,076	12,035,178
Levy on net advertising revenue	—	949,129
Levy on profits	2,836,009	510,000
Trading profit	1,888,941	1,915,340
Profit sale of invests.	64,823	*607,235
Pre-tax profit	1,953,764	1,308,105
Tax	990,000	1,140,000
Net profit	963,764	168,105
Dividend	699,998	599,904
Carried forward	1,917,667	1,665,396

* Loss.

Chairman Sir John Davis says the improvement in revenue partly stemmed from increases in advertising rates made in September, 1974, and March, 1975, to reflect the 24 per cent. growth in the coverage of the station since 1972.

Had it not been for statutory controls, rates would have been further increased to help offset the steeply rising operational costs. In *fact continued cost increases compelled* the directors to make a further increase in October, 1975.

Recovery trend for A. Monk

FROM AN unchanged turnover *of* £26.3m., civil engineering and building contractor A. Monk has *doubled its profit to £334,000 in* the half year ended August 31, 1975. This represents a measure of recovery towards the £616,000 achieved in 1973.

The directors expect the *improved trading trend to continue* during the year, the actual figure depending to some extent on progress made in agreeing settlements for work completed on major Government contracts. Turnover should approach that of last year, at least as far as the £49.7m. value is concerned, but not in volume.

An unchanged interim dividend of 1.25p net per 25p share is declared. The 1974-75 total was held at 3.9315p from profits of £598,000, against £1.72m. previously.

	First half 1975 £000	1974 £000
Turnover	26,300	26,600
Profit before tax	324	157
Taxation	168	72
Net profit	156	85
Minorities	11	22
Attributable	145	63
Int. dividend	90	90

APPOINTMENTS

Senior group executive changes at ICI

Mr. F. J. K. Hillebrandt, ICI treasurer, and Mr. J. R. Ibbs, general manager—planning, have been appointed executive directors of IMPERIAL CHEMICAL INDUSTRIES from March 1. Mr. A. W. Clements, deputy treasurer, will become treasurer in succession to Mr. Hillebrandt, and Mr. J. Lister, a deputy chairman of ICI Petrochemicals division, will succeed Mr. Ibbs as general manager—planning from that date. Mr. P. W. Cunliffe, a deputy chairman of ICI Pharmaceuticals Division, will be pharmaceuticals division chairman from April 1. Dr. R. G. J. Telfer, a deputy chairman of ICI Petrochemicals Division, has been appointed Petrochemicals Division chairman from April 1.

The following retirements take place on March 31. Mr. A. E. Frost, ICI finance director; Mr. J. H. Townsend, ICI director responsible for Continental Europe; Mr. R. G. Hoare, *chairman of ICI* Pharmaceuticals Division (succeeded by Mr. Cunliffe); and Dr. A. W. Taylor, chairman of ICI Petrochemicals Division (succeeded by Dr. Telfer).

★

Sir Edward Singleton has been appointed a non-executive director of SERCK. Sir Edward, a former president of the Law Society, is a partner in MacFarlanes.

★

Mr. Peter Massey has been appointed a director of HOWARD MACHINERY GROUP SERVICES. He was previously the group's chief accountant.

★

Mr. R. E. Wibberley has joined PARKINSON COWAN GWB, a member of the Thorn Group, as financial comptroller/secretary, succeeding Mr. R. Fieldhouse who has taken up an appointment at Thorn Electrical Industries general engineering divisional headquarters in Birmingham. Mr. Wibberley was previously a secretary within the Delta group.

★

Bankers' Association executive

Mr. R. H. M. Kindersley, managing director, Lazard Brothers and Co., has been appointed chairman of the executive committee of the BRITISH BANKERS' ASSOCIATION, in succession to Mr. S. Wild, director and deputy chief executive, National Westminster Bank.

★

Mr. K. J. Alford has been reappointed a member of the ENGLISH INDUSTRIAL ESTATES CORPORATION. Mr. Alford, a chartered surveyor and a partner in W. H. Robinson and Co., has been a member of the Corporation since 1972.

★

Mr. E. G. T. Firth has been appointed chairman of JAMES AUSTIN STEEL HOLDINGS following the recent death of Mr. A. Y. Wilson. Mr. L. V. Hampshire has become deputy chairman. Mr. Dennis Charlton and Mr. R. T. Firth have been appointed directors. Both are executive directors of the principal subsidiary company, James Austin and Sons (Dewsbury).

★

Mr. Roger H. Boissier has been appointed to the main Board of the WHESSOE group. He is a director and general manager of its subsidiary Aiton and Co.

★

Mr. W. F. Moore has joined the Board of JOHN MICHAEL (SAVILE ROW) and its subsidiaries as commercial director.

★

Mr. J. A. F. van Vlissingen has joined the Board of TOMATIN DISTILLERS COMPANY. Mr. Van Vlissingen is general manager of Pierson Heldring and Pierson N.V. and on the Board of several Dutch companies including S. H. V. Holdings N.V. Utrecht.

★

Mr. Samuel Njoroge Waruhui has been appointed chairman of the local Board in Kenya of BARCLAYS BANK INTERNATIONAL. Mr. Waruhui is a director of a number of Kenya companies and has been a member of the bank's local Board since 1968.

★

Mr. R. Lambert president of Barclays Bank of New York and local director of Barclays Bank International, New York, has become assistant general manager of BARCLAYS BANK INTERNATIONAL, head office, London.

★

Mr. Colin Mellors, local *director* for Barclays Bank International, Cyprus, has been made managing *director of* BARCLAYS BANK *of* Zambia.

★

REDMAN HEENAN INTERNATIONAL has formed a new subsidiary, the REDMAN FISHER GROUP. The directors are Mr. Angus Murray (chairman); Mr. E. B. Gould (managing director); Mr. D. Hunter (finance director and secretary); Mr. J. M. Mason and Mr. W. R. Stagg. Mr. Angus Murray is chairman and chief executive, and Mr. J. M. Mason group finance director, of Redman Heenan International.

★

Mr. Harrison F. Tempest, general manager of the London branch of the FIRST NATIONAL BANK OF CHICAGO, and vice president for the U.K., Ireland and Scandinavia, has been appointed as a senior vice-president of the Bank.

★

Mr. Ivan Dorr has become chairman and *managing* director of NU-SWIFT INTERNATIONAL on the retirement as an executive director of *Mr. Find Graneob.* Mr. Eric Davenport has become home sales director, Mr. David Wilkinson, research and development directors, and Mr. Peter Harrison, an associate director and service manager.

★

On December 31, Mr. E. B. Harvey will resign as secretary of ALFRED DUNHILL, but will continue to be a senior executive until his retirement later in 1976. Mr. J. Wood has been appointed secretary from January 1.

★

The recommended offer by Pentos for the Ordinary shares of Marshall Morgan and Scott, having been declared unconditional, Mr. Frank Herrmann and Mr. John Pemberton, who are *directors of Marshall Morgan and* Scott, have been appointed to the Board of PENTOS. Mr. Herrmann *is* managing director of Marshall Morgan and Scott. Mr. Pemberton is chairman of World Distributors (Holdings) and Whitman Publishing (U.K.), and joined the Board of Marshall Morgan and Scott when it acquired World Distributors (Holdings) in 1971.

★

Mr. Stewart M. Tennant has been appointed shipbuilding *director* of HARLAND AND WOLFF. He rejoins the company after two years with Robb Caledon Shipbuilders as general manager of its Dundee Division.

★

Mr. C. W. Garnett has retired from the Boards of LAKE VIEW INVESTMENT TRUST and BORDER AND SOUTHERN STOCKHOLDERS TRUST. Mr. C. Alan McLintock has been appointed chairman of both companies.

★

Mr. Brian Sellers has been appointed group chief executive of HEAL AND SON HOLDINGS and will join the Boards of each of Heal's subsidiary companies.

★

Mr. J. F. McLaughlin, managing director of MOLINS paper and packaging machinery division has been appointed to the Board.

★

Mr. John H. Robinson has been appointed a director of Cocker *Brothers and* Mr. S. M. *Bates* a director of Woodhouse and Rixson, Niagara Forge (Sheffield), and Hot Processed Metals, all subsidiaries of WOODHOUSE AND *RIXSON (HOLDINGS).*

Mr. S. M. Tennant

★

The following have been *appointed full-time chairmen* of INDUSTRIAL TRIBUNALS (ENGLAND AND WALES) from *January 2:* Mr. P. W. *Haydon* (London), Mr. R. B. Lauriston (Newcastle-upon-Tyne) and Mr. P. A. Webster (Cardiff).

★

Mr. Maurice Sutcliffe has been appointed financial controller of JOHN CROSSLEY AND SONS and KOSSET CARPETS from January 1. He will be succeeded as secretary to John Crossley by Mr. J. K. Hodgkinson.

★

Mr. Reuben Singer has been appointed chairman and Mr. Gerald Singer *managing director* of SINGER PLYWOOD, an associate of James Latham.

★

Mr. Conrad Kuttner, deputy chairman of WOODALL-DUCKHAM, retires at the end of this year after 28 years with the company.

★

Mr. Guy Paine, managing director of Radio Victory, has been appointed chairman of the ASSOCIATION OF INDEPENDENT RADIO CONTRACTORS. He succeeds Mr. John Whitney who retires on December 31.

★

Mr. John Irwin has been appointed chief executive of GLYNWED FOUNDRIES. He was previously managing director of Power Brakes.

★

Mr. Graham R. Clark has become a director of marketing services of RANK XEROX (U.K.). He was, until recently, manager, New York *operations group* for Xerox Corporation in the U.S.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Mildly higher: index up 2.5 by 1 pm

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 18.

MILDLY HIGHER levels were recorded on Wall Street to-day, when the Stock Market was held in check by the House of Representatives' failure to over-ride President Ford's veto of Tax Cut Legislation.

At 1 p.m. the Dow Jones Industrial Average was up 2.52 at 848.79 and the NYSE All Common Index was 4 cents up at $47.01, while advances led declines by more than a six-to-five majority. Trading volume expanded 260,000 shares to 10.07m., compared with 1 p.m. yesterday.

Closing prices and market reports were not available for this edition.

Analysts noted that although the market faltered, John Rhodes, House Republican Leader, said he thought there was still time to extend tax cuts in this session of Congress.

Failing that, Rhodes said, the cuts could be extended in the next Congressional session and made retroactive to January 1.

Continental Illinois rose $2½ to $34, Orange $1 to $10¾, as did Revlon $1 to $72¼ and Baxter Laboratories to $42½. But Conrac fell $1¾ to $25.

Levi Strauss moved up $1 to $39¾. Time $1¾ to $60 and Beker Industries $1¾ to $14¾.

Williams Cos. gained $1½ to $24¾. Rohm and Haas $1 to $58¾. Raytheon $1¾ to $46¾. Crane $1¾ to $46, and *Stauffer Chemical* $1½ to $53¾. Amsted put on $1 to $56, and Celanese improved $1½ to $44¾.

Merck fell $2½ to $70¾—it said *it made payments of about $3.90m.* to Government employees in 36 foreign countries.

Grumman added $½ at $13¾ on a 10 per cent. stock dividend.

"Over-the-Counter," Wangco were quoted to $11½ bid to $12½ offered, against $8¾-$8¾ yesterday—it is discussing a merger into Perkin-Elmer, off $¾ at $22, on the basis of three-quarters of a Perkin-Elmer share for each Wangco share.

The American S.E. Market Value Index picked up 0.03 to 82.80, while advances led declines by 227-to-201. Trading volume expanded 110,000 shares to 1.15m., compared with 1 p.m. yesterday.

Bic Pen gained $½ to $9¾—it reached a tentative agreement with striking members of the United Rubber Workers.

Coachman Industries were lifted $1¾ to $20¾.

OTHER MARKETS

Canada mixed

Canadian Stock Markets were mixed in moderate trading yesterday morning.

The Gold Share Index rose 0.72 to 240.75, Base Metals firmed 0.33 to 72.74 and Western Oils gained 0.35 to 199.12, but Industrials shed 0.65 to 171.70, Utilities eased 0.32 to 124.31 and Papers dipped 0.73 to 94.93.

Royal Bank declined $1½ to $28½ and Bank of Nova Scotia were off $½ to $40¾.

Noranda Mines were down $¾ to $28 but S. B. McLaughlin Associates advanced $1 to $9½.

PARIS—Trading was at a standstill following a strike by Bourse employees.

BRUSSELS—Narrowly mixed in a quiet market.

U.K. values also were narrowly irregular, West Germans firmer, U.S. little changed, Dutch stocks firmed, particularly Philips, while Gold Mines moved higher.

GERMANY—Markets continued firm, although early gains were pared by profit-taking. Encouraging reports on the German economy by the Bundesbank helped sentiment.

Mannesmann, up DM5, Siemens, up DM3, and GHH, up DM1.20, were the most heavily traded shares.

Most sectors showed small gains, with Motors particularly strong. *BMW* advanced *DM4* and VW put on DM2.

The Bond Market was again irregular as dealers made year-end adjustments to their holdings.

OSLO—Industrials, Banks and Insurances were firm, while Shippings were quiet.

VIENNA—Generally slightly *firmer*.

COPENHAGEN—Mixed in active dealings, Banks were higher, Communications maintained, Shippings firmed, while Industrials improved over a broad front.

MILAN—All major shares closed firmer in fairly active trading.

Bonds were *quietly higher*.

AMSTERDAM—Generally firmer in quiet conditions.

Major gains were VMF, up Fls.5, Naarden Fls.2.3, Gist Fls.1.9, and Ahold Fls.3.7.

THV International fell Fls.9 to 163 on its statement that it may have to pass the 1975 dividend. Ogem shed Fls.0.30 to 24.20—it *holds a majority stake in THV.*

SWITZERLAND—Markets closed steady in moderately active dealings. After a firmer opening profit-taking set in and highest prices were partly reduced in late trading.

State Bonds were quietly steady.

Dollar stocks fluctuated narrowly *in light volume, Dutch Internationals and Germans were* steady to slightly firmer.

HONG KONG—Easier on lack of *interest*.

Jardine were 20 cents lower at $HK22.40 and HK Land 10 cents at 6.75.

HK Dock gained 10 cents to $HK7.30.

TOKYO—Mixed in the absence of new factors. Volume 170m. (180m.) shares.

Britain's decision to impose selected import control had little effect as cars and some other major items were not included.

Some Constructions, Pharmaceuticals, Shipbuildings and "speculative" issues rose slightly. But Electricals and "high-priced" shares fell on liquidations.

JOHANNESBURG—Gold shares were firmer on local and London buying. Financial Minings followed Producers.

Coppers were little changed, but Messina rose 10 cents to R3.40. Platinums traded at previous levels, while other Metals eased slightly due to profit-taking.

De Beers gained 15 cents to R3.55 on further consideration of the price increase for rough gemstones by the Central Selling Organisation.

Industrials hardened.

AUSTRALIA—Mixed with some sectors finishing higher on selective buying.

Among Mines, Utah dipped 16 cents to $A9.24 despite a strong profit performance.

Aar fell 12 cents to $A1.31 but BHP rose 8 cents to $A6.82.

Woodside-Burmah were up 8 cents at $A1.37.

Philip Morris jumped 85 cents to a new peak of $A10.05 in a belated reaction to the one-for-three bonus issue.

United Telecasters attracted attention with its special sale of 1m. units in two equal parcels, at 76 cents per share, against 80 cents on the market.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Dec. 17	68.34	166.09	846.27	81.32	16,560
16	68.21	165.52	844.30	81.35	13,350
15	68.16	164.54	836.59	81.13	13,960
12	68.09	164.76	832.81	81.00	15,100
11	68.16	165.11	832.73	80.94	16,300
10	68.17	165.07	833.98	81.03	16,680
9	68.30	162.55	824.15	80.65	16,040
8	68.29	163.14	821.63	80.65	14,150
5	68.42	163.84	818.80	80.81	14,050
4	68.37	164.90	829.11	80.71	16,330
3	68.32	165.23	825.49	81.06	21,320
2	68.36	167.25	843.20	82.63	17,950
1	68.51	163.49	856.34	82.89	16,060
Nov. 28	68.64	169.29	860.67	83.27	12,670
26	68.63	169.00	866.55	83.17	18,780
25	66.70	168.84	865.40	85.06	17,490
24	68.67	169.53	845.64	82.89	13,930
1975 High	69.92 (4/4)	174.45 (18/11)	881.81 (15/7)	87.07 (24/6)	—
Low	66.18 (5/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Dec. 12	Dec. 5	Dec. 13 1974
4.49	4.57	6.36

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Dec. 17	Dec. 16	Dec. 15	Dec. 12	Dec. 11
51.24 (15/7)	37.06 (2/1)	46.97	46.84	46.38	46.26	46.29

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,882	799	555	528

	Dec. 17	Dec. 16	Dec. 15	Dec. 12	Dec. 11
New Highs	12	15	5	8	10
" Lows	18	18	23	18	20

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

	1975 High	1975 Low	Dec. 17	Dec. 16	Dec. 15	Dec. 12	Dec. 11
	86.80 (15/7)	62.20 (2/1)	82.77	82.51	81.90	81.92	81.72
Volume (000's)			2,000	2,150	1,750	1,710	1,880

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Dec. 17	99.88	89.15
" 16	99.63	88.93
" 15	98.64	88.09
" 12	98.33	87.83
" 11	98.32	87.80
" 10	98.68	88.08
" 9	97.76	87.80
" 8	97.46	87.07
" 5	97.13	86.82
" 4	98.37	87.84
" 3	98.54	87.60
1975 High	107.40 (15/7)	96.91 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Dec. 10 1975	Dec. 3 1975	Dec. 11 1974
Ind. Ord. yield pc	3.81	3.84	5.02
Ind. Ord. p/e ratio	12.16	12.09	7.45
Long-term Govt. Bds. per cent.	8.13	6.88	8.33

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Merck	215,000	72¾	−3¾
Franklin Mint	149,900	25¼	−¾
General Electric	129,300	45¾	−1½
Utah Intnl.	122,900	45¾	−½
Amer. Tel. and Tel.	120,600	50¼	−¾
Tucson G.E.	118,600	11¾	+⅛
Kresge S.S.	117,700	33¼	+¼
Polaroid	116,500	30¾	+½
Sony	105,400	9¾	−¼
Texaco	104,200	23¼	—

TORONTO

INDUSTRIAL INDEX

Dec. 17	Dec. 16	1975 High	1975 Low
172.16	172.54	196.50 (15/7)	139.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Dec. 17	Dec. 16	1975 High	1975 Low
173.41	173.32	203.61 (15/7)	159.05 (2/1)

COMBINED INDEX

Dec. 17	Dec. 16	1975 High	1975 Low
—	174.96	198.00 (12/7)	158.05 (2/1)

JOHANNESBURG

	Dec. 17	Dec. 15	1975 High	1975 Low
Industrials	204.1	203.6	238.9 (16/7)	183.2 (23/1)
Gold	203.9	202.4	379.1 (2/1)	199.2 (9/12)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 §Leading Stocks	Dec. 18	Dec. 11	Dec. 4
On Dividends	6.00	6.04	5.92
On Earnings	9.94	9.99	9.48

SYDNEY ALL ORD. INDEX

Dec. 18	Dec. 17	High 1975	Low 1975
431.39	430.42	448.79 (5/12)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Dec. 18	Dec. 17	High 1975	Low 1975
312.85	312.46	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX Φ

Dec. 18	Dec. 17	High 1975	Low 1975
334.25	335.83	341.57 (9/6)	160.42 (8/1)

SINGAPORE INDEX §

Dec. 18	Dec. 17	High 1975	Low 1975
230.16	229.09	268.69 (11/3)	163.26 (6/1)

EUROPE

	Dec. 18	Previous	1975 High	1975 Low
Belg'm (a)	104.40	104.18	111.81 (15/6)	89.07 (2/1)
Denm'k (b)	100.75	100.17	100.75 (18/12)	73.06 (13/1)
France (d)	c	68.3	72.6 (23/4)	51.70 (2/1)
Germ'y (e)	765.3	763.2	771.6 (1/12)	575.5 (2/1)
Holland (f)	95.6	95.0	107.6 (6/6)	83.2 (2/10)
Italy (g)	85.49	83.78	108.86 (21/2)	76.41 (17/10)
Spain (h)	104.98	105.56	110.96 (22/4)	91.85 (19/9)
Sweden (k)	336.30	336.15	409.81 (12/11)	310.56 (9/1)
Switz'rl'd (m)	275.6	273.5	295.1 (6/6)	206.5 (2/1)

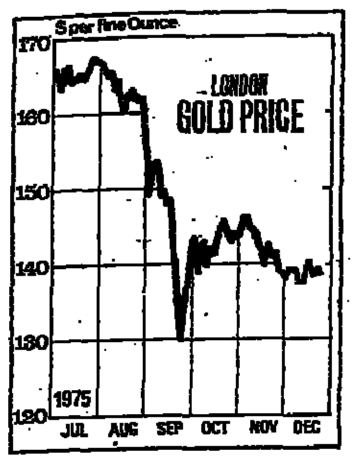
Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. Φ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Dollar recovers

The U.S. dollar recorded little change overall in the foreign exchange market yesterday, after losing ground to most other major currencies during the morning. The movement of regular dollar oil revenues into European currencies by certain oil producing countries may have had some impact on the dollar in early dealings, but in the afternoon the U.S. unit improved, to show little change on the day. The dollar's trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, as calculated by Morgan Guaranty of New York on rates, widened slightly to 1.81 per cent., from 1.77 per cent.

Sterling closed unchanged in terms of the dollar at $2.0215-2.0225. The pound also opened at $2.0215-2.0225 and improved to $2.0240-2.0250, but later slipped to $2.0200-2.0210, the lowest point of the day. The pound's trade-weighted average depreciation since the Washington Agreement, as calculated by the Bank of England, widened to 30.1 per cent., from 30 per cent. previously, and also stood at 30.1 per cent. at noon and in early dealings.

Gold lost $½ to close at $138¾-139¼ in fairly quiet trading. The krugerrand finished at $142-144 (£70¼-71¼) for domestic delivery. The coin's premium over its gold content, showed little change at 3.06 per cent. in the domestic market, but narrowed to 2.52 per cent. from 2.69 per cent. in international dealings.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Dec. 17	Dec. 16
Sterling	0.579489	0.579589
U.S. dollar	1.16959	1.16880
Belgian franc	46.3450	46.3721
Deutsche mark	3.08070	3.08388
French franc	5.22851	5.23243
Italian lira	799.649	800.102
Japanese yen	357.427	357.068
Dutch guilder	3.15321	3.15576
Swedish krone	5.16608	—

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Dec. 18	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf'rt	—	2.6256-65	58.76-86	6.64-65	5.308-316	97.60-70	98.95-06
N.York*	38.06-07	—	22.41-43	2.530-535	2.0215-0220	37.20-22	38.06-08
Paris	169.75-15	4.4607-4605	—	11.284-309	9.009-054	165.755-155	169.725-125
Brussels	15.03-06	39.45-48	8.84-87	—	79.84-97	14.68-71	15.03-07
London	5.30¾-31¾	2.0215-25	9.01¾-02¾	79.75-95	—	5.45¾-44¾	5.30¾-31¼
Am'erdam	102.395-445	2.6847-72	60.265-315	6.8085-813	5.4365-4415	—	102.415-465
Zurich	100.01-14	2.6276-80	58.89-96	6.65-66	5.3130-75	97.49-61	—

U.S. $ in Montreal. U.S. $=101.42-44 Canadian cents. Canadian $ in New York $C=98.70-72 U.S. cents. U.S. $ in Milan 682.20 Sterling in Milan 1381.30. *Rates for Dec. 17.

EURO-CURRENCY INTEREST RATES*

Dec. 18 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	10¼-10¾	4⅞-5⅜	7½-8¼	5⅝-5⅞	4-4⅛	⅝-⅞
7 days notice	10½-11	5-5½	8¼-8¾	5⅝-5⅞	4-4⅛	⅝-⅞
Month	10⅞-11¼	5¾-6¼	8⅞-9⅛	5¼-5¾	4-4⅛	3-3¼
Three months	11⅛-11⅝	6¼-6¾	9⅛-9⅜	5¼-5¾	4-4⅛	3⅛-3⅝
Six months	11⅝-12⅛	7⅛-7⅝	9⅜-9¾	5⅜-5⅝	4½-4⅞	3¾-4
One year	12-12½	7⅝-8⅛	8⅝-9⅛	6-6¼	5¼-5⅝	4⅛-4⅝

Euro-French deposit rate: short-term 6¼-6½ per cent.; seven days' notice 6¼-6½ *per cent.; one month 6¾-6¾ per cent.; three months 6¾-7 per cent.; six months 7⅜-7⅜* per cent.; one year 8¼-8¾ per cent.

Longer-term Eurodollar deposit: two years 8¼-8¾ per cent.; three years 8¾-9¼ per cent.; four years 9¼-9¾ per cent.; five years 9¼-9¾ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5 13/16-5 15/16 per cent.; three months 6 3/16-6 5/16 per cent.; six months 6¾-6¾ per cent.; one year 7 7/16-7 9/16 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	Dec. 18 1975	Dec. 17
Gold Bullion (a fine ounce) Close	$138¾-139¼	$139
Opening	$138¾-139¼	$138
Morning fix'g	$139.15 (£68.705)	$138 (£68.
Afternoon fix'g	$138.90 (£68.694)	$138 (£68.
Gold Coins (domestically) Krugerrand	$142-144 (£70¼-71¼)	$142 (£70.
New Sov'rgns	$44-46 (£21¾-22¾)	$44¼ (£22.
Old Sov'rgns	$44-46 (£21¾-22¾)	$44¼ (£22-
Gold Coins (Int'na'ally) Krugerrand	$141¼-143¼ (£69¾-70¾)	$142 (£70
New Sov'rgns	$42¼-43¼ (£21-21½)	$42¼ (£21.
Old Sov'rgns	$42¼-43¼ (£21-21½)	$42¼ (£21
$20 Eagles	$218-221	$219
$10 Eagles	$112-115	$113
$5 Eagles	$71-74	$72.'

FOREIGN EXCHANGES

Dec. 18 1975	Bank Rates %	Market Rates Day's Spread	
New York	6	2.0200-2.0250	2.0
Montreal	9¼	2.0455-2.0505	2.0
Amst'rdam	4½	5.42½-5.45½	5.4
Brussels	†6	79.70-80.10	79
Copenh'gen	7½	12.47-12.51	12.
Frankfurt	3½	5.29½-5.32½	5.3
Lisbon	6½	54.80-55.15	54
Madrid	†7	120.50-120.70	120
Milan	6	1,379-1,382	1,
Oslo	6	11.21-11.25	11.
Paris	8	9.00-9.04	9.
Stockholm	6	8.90-8.93	8.
Tokyo	6½	615-622	
Vienna	6	37.35-37.65	37.
Zurich	3	5.30-5.35	5.

† Basic discount. ‡ Rates give convertible franc; closing finan 81.90-82.10.

OTHER MARKETS

		¶Notes R.
Argentina	¶117.19-117.89	Argentina
Australia	1.6015-1.6177	Austria
Brazil	18.19-18.69	Belgium
Finland	7.77-7.79	Brazil
Greece	71.086-72.640	Canada
H'ngKong	10.17½-10.19	Denmark
Iran	139-140	France
Kuwait	0.586-0.596	Germany
Luxemb'g	79.85-80.05	Greece
[illegible]	[illegible]	[illegible]

FORWARD RATES

[illegible]

Six-month forward U.S. dollars [illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—112% (113¼%).

NEW YORK

Stock	Dec. 17	Dec. 16
[illegible]	[illegible]	[illegible]

CANADA

Stock	Dec. 17	Dec. 16
[illegible]	[illegible]	[illegible]

GERMANY ♦

Dec. 18	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	87.60	−0.2	—	—
Allianz Versich.	472	+4	‡17	1.8
B.M.W.	265	+4	14	2.6
BASF	153.80	+0.3	17	—
Bayer	127.90	+0.4	17	6.2
Bayer Hypo	331	.....	18	2.7
Bayer Vereinsbk.	355	.....	18	2.4
Commerzbank	212	+0.4	†18	4.2
Conti. Gummi	95.20	−1.2	—	—
Daimler	346.5	+1.5	15	2.1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Dec. 18	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	821	+1	—	—
ANIC	845	+18	60	7.1
Ausonia Ass	4,250	+100	150	3.1
Bastogi	1,279	+24	78	5.4
Breda	2,648	+48	165	5.7
Burgo	11,250	+55	200	1.8
Cantoni	7,850	+100	200	2.6
CIGA	1,285	+55	—	—
Cucurini	4,701	+71	250	5.3
Dalmine	595	+6	60	1.3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

PARIS

[illegible]

AMSTERDAM

[illegible]

SWITZERLAND ●

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

AUSTRALIA

Dec. 18	Aust. $	+ or −
Acrow Australia	†0.76	.....
Adelaide Brighton Cem 50c	†1.08	+0.04
Allied Mnfg. Trdg. Indus$1	†1.78	.....
Ampol Exploration	†0.81	−0.04
Ampol Petroleum	†0.60	.....
Assoc. Minerals	†2.60	.....
Assoc. Pulp Paper $1	†0.98	.....
Aust. Con Industries	†1.45	+0.02
Aust. Foundation Invest.	†0.85	.....
A.N.I.	†1.05	.....
[illegible]	[illegible]	[illegible]

TOKYO ¶

[illegible]

Source Nikko Securities Tokyo.

STOCKHOLM

[illegible]

OSLO

[illegible]

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

SPAIN ♥

[illegible]

NOTES: Overseas prices [illegible]

FARMING AND RAW MATERIALS

World sugar estimate reduced

By Richard Mooney

A 2m. TONNES reduction in the estimate by statistician F. O. Licht of the 1975-76 world sugar crop helped London terminal market values to recover yesterday from Wednesday's sharp setback.

The London daily raw sugar price was cut by another £1, to £160 a ton, in the morning, but all positions on the futures market finished higher, May gaining £3.65 to close at £163.9 a ton.

Licht's first estimate of the 1975-76 crop was generally thought to be optimistic, at 84,820,000 tonnes, so the market ought not to have been surprised when this was cut to 82,756,000 tonnes yesterday, especially as the new figure is broadly in line with market forecasts. However, the sheer size of the reduction is thought to have had a firming affect on prices.

Coffee and cocoa futures values also were higher yesterday. The rise in coffee, which lifted the March position by £17, to £790.5 a tonne, was attributed mainly to the tight physical situation which has emerged in recent weeks. This led to very strong speculative buying on the terminal market, which was not matched by selling resistance as terminal prices are still thought to be undervalued compared with physicals. The rise was also encouraged by expectations of increased roaster buying in the new year.

March cocoa ended the day at 729.5 a tonne, up £9.75, chiefly as a result of persistent buying from a single source which lifted the price to £733 at one stage.

Milk output sets a record —but sales decline

BY PETER BULLEN

MILK OUTPUT from farms in England and Wales last month set a new record for November, at 191.6m. gallons, the Milk Marketing Board said. However, the 1½p-a-pint increase in retail prices at the beginning of the month caused the first drop in liquid milk sales for more than three years.

The 191.6m. gallons produced was over 14m. gallons—or nearly 8 per cent. — more than the output in November last year, and slightly more than the previous peak for the month set in 1972.

The continuing rise in production, achieved despite the 160,000 cutback in the number of cows being kept on dairy farms this year, is attributed to the change in weather conditions. A mild, wet autumn following the long, dry summer brought unexpected growth of grass, and cows were able to stay out grazing for weeks longer than usual.

Liquid milk sales accounted for 126.4m. gallons—540,000 gallons less than in November 1974.

The MMB said the fall was caused by the rise in retail prices. Fresh cream sales also dropped for the first time for many months, falling from 13.88m. gallons to 13.09m.

Surplus powder

As a result of the upsurge in production, the amount of milk available for manufacturing into dairy products rose by almost 29 per cent. — or nearly 15m. gallons — to 65.2m. Some 13m. gallons went into butter making in November alone, although two or three months ago nearly all U.K. butter making had ceased and the MMB was forecasting that it would not resume until next spring.

Meanwhile, there were further strong protests yesterday against the EEC Commission proposals to dispose of surplus skim milk powder in animal feeds. The Compound Animal Feedingstuffs Manufacturers' National Association (CAFMNA), in a letter to Mr. Fred Peart, the Minister of Agriculture, said that in all its long association with European feed manufacturers no single issue aroused such unanimous hostility.

Mr. N. E. L. Hill, CAFMNA president, said that the U.K. did not have a surplus of skim milk powder. The proposal to compel manufacturers to use 1 or 2 per cent. of the powder in animal feeds would penalise the British industry, particularly livestock producers, and would involve costly imports.

From Washington, Reuter reports that the skim milk powder plan is almost certain to lead to a new trade squabble between the European Community and the U.S. Government officials and trade sources said they believed it would significantly reduce EEC demand for traditional feed ingredients, such as U.S. soyabean meal, and would impede U.S. exports of beans and meal to the Community.

If the milk-power plan went into operation as outlined, it was expected to trigger a two-pronged counter move by the U.S. they said.

The U.S. Government was expected to file a formal protest in Geneva, claiming violation of article three of the General Agreement on Tariffs and Trade (GATT).

In addition, U.S. farm and trade organisations would probably seek counter-action under Section 301 of the U.S. Trade Act, which provided a ready means of retaliation against unfair trade practices.

NFU protest

The National Farmers' Union also attacked the skim powder plan yesterday. After a meeting of the NFU Council, Sir Henry Plumb, the union's president, said the proposal would be strongly opposed unless there was a corresponding adjustment in the basic price for pigmeat and a suitable strengthening of egg, poultry and pig regimes to make up for the rise in feed costs which it would entail.

Sir Henry pledged the NFU's full support of the Minister of Agriculture in his battle with the Commission to retain Britain's present system of support for beef producers.

Failure to establish the system on a permanent Community basis would again threaten stability in the beef and livestock sector and undermine confidence just when it was beginning to be restored, he said.

The NFU Council also condemned the general level of farm price increases proposed by the EEC Commission as "quite inadequate."

Copper prices advance

By John Edwards

COPPER PRICES advanced strongly on the London Metal Exchange yesterday, aided by news that Inspiration Copper had been forced to close its Arizona smelter because an electric furnace had partially collapsed.

Cash wirebars gained £10, to £576.5 a tonne, following speculative buying and improved trade demand at the higher levels in London and New York.

Inspiration has declared a partial force majeure on its copper shipments for December and January as it is estimated the furnace repairs will take about a month. However, the company said the size of the delivery cutback had yet to be determined.

The tonnage involved may be relatively small, since the Inspiration smelter is believed to be one of the smaller U.S. copper plants with a production capacity of around 65,000 tons a year.

It was felt that the market reaction was more a reflection of general "bullish" sentiment, as a result of being somewhat oversold during the recent decline in prices. A firm upward trend emerged before the Inspiration news was known, triggering off buying interest.

Other metal markets, notably lead, were encouraged by the rise in copper, although cash tin was held up by support buying, believed to be on behalf of the International Tin Agreement buffer stock.

FRENCH AGRICULTURE

Pension scheme pays in Massif Central

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

WHILE STAYING on the southern slopes of the Massif Central in France last week, I was struck immediately by the changes since my last visit three or four years before.

Then, much of the poorer land was being allowed to go derelict and the cattle were nondescript. The general standards of farming, except in the better valleys, were going down hill.

Now the tide seems to have changed with a vengence. Dereliction seems to have been halted and indeed reversed. Most of the cattle are a good type of Friesian; and electric fences are being used for self-feeding of silage, turnips, even grass in some cases.

Herds are still small, but I counted several of more than 30 head. Most appeared to be between 15 and 20.

Draught cattle seem almost to have disappeared. I saw only three teams during hundreds of miles of motoring. Their place has been taken by tractors on all but the smallest farms.

This improvement is due to the French Government's measures for pensioning off farmers and re-allocating their land under various voluntary schemes. It is certainly paying off by producing more prosperous countryside.

What is happening here, incidentally, is directly contrary to the old Mansholt plan, under which the displaced farmers should be retrained for industry, and their land taken for recreation and forestry. New forestry there certainly is, but it is on land unsuitable for farming.

Reform

Very large sums of money have been spent by successive French Governments on this agricultural reform, which is being made to pay off with extra production. However, this may not be to the liking of the rest of the EEC when the cost of the milk support is being paid.

Although French dairy herds are still small by British standards (average about 11 head in 1973) the number of cows has risen by 10 per cent. since 1962. The average yield has risen by 50 per cent., as has the amount of milk sold to dairies.

This has been due mainly to using the Friesian as the main dairy cow and to better farming techniques adopted by the younger farmers.

Yields are still only 80 per cent. of the U.K. level, but there is no reason why they should not catch up within comparatively few years. One reason for the lower yields is the lower use of compound feedingstuffs.

Milk prices, as far as I could calculate, are now about 40p a gallon throughout the year, and although the farmers were grumbling there was no talk of going out of the job. Many of the workers I saw were young, probably members of farmers' families. This, too, was a change on a few years ago.

I also met a contented sheep farmer on some of the high plateau land which separates the river valleys. He had about 200 acres of thin brash, like the worst of the Cotswolds, and kept a flock of about 200 ewes and their followers.

These spend most of their lives in his new sheep house, built with a substantial grant and cheap loans. The ewes were being milked for the production of Roquefort cheese under a system which has been traditional for many years.

Apparently the particular organisms, penicillins the French call them, required to make Roquefort only flourish in the caves at the town of that name. Attempts to duplicate the process in other parts of France and the world have failed so far.

The ewes are mated to lamb in early November, and when the lambs are a month old they are weaned and milking begins.

On this farm they were milked by machine of a herringbone type. The farmer told me that it took three people to do the job. Each ewe gave roughly a quart a day, and the total yield for the six months that they were in milk would work out at perhaps 25 gallons, for which the price at the present rate of exchange would be £1.25 a gallon.

The other main source of income was from the sale of lambs, other than those required for flock replacements at about £20 a head, at a month old. These were bought by specialist fat lamb farmers, who reared them on to marketable weights.

Income

The gross income from this flock was between £45 and £50 a ewe (about £9,000 a year), provided the family, including his father with a reasonable income.

Another farmer I met had the same sized flock, but was simply producing lambs for sale to the butcher. His income per ewe was below £40, but on the other hand he did not have the bother of milking them.

I told both these farmers that the British would dearly like to take advantage of their market, with its high prices, pointing out that our returns were well under half those received in France.

They thought that would be most unfair. British farmers, they had been told, enjoyed enormous subsidies with which, from time to time, they invaded the French market and so ruined the poor Frenchman.

Did I understand how expensive everything was in France, and that if they did not get the sort of prices ruling now, they would be in deep trouble?

I had great trouble trying to persuade them that we had little direct subsidy for lamb or anything else, only rather larger flocks. I pointed out that, 600 miles further north, the sheep lived out all the year, and that this must be a saving in costs.

There is no doubt that, in economic terms, British farmers would be able to compete with farmers like these. But it is unthinkable that any French Government, after spending the amounts they have to bring back a system of viable farming to this district, would allow it to be put at risk.

Brazil acts on EEC coffee complaint

BRUSSELS, Dec. 18.

THE Brazilian Coffee Institute (IBC) has agreed to open its Trieste supply depot to all Common Market countries following an EEC Commission complaint that it was distorting the Community's coffee trade, the Commission announced here.

In 1973, the Commission complained that the sales policy of IBC's Milan office did not conform to EEC competition rules, mainly because it banned the distribution of green coffee between France and Italy and promoted market consumption of roast coffee in those countries.

At the same time, preferential sales contracts which it concluded with numerous Community roasters resulted in discrimination among competitors and restricted trade, the Commission claimed.

Reuter

U.S. resumes grain export credits

WASHINGTON, Dec. 18.

THE U.S. Agriculture Department said that, for the first time in nearly two years, feedgrains were eligible for financing under its short-term export credit sales programme.

It also said Poland would be authorised to use $25.3m. worth of three-year credit to purchase U.S. wheat.

The financing facilities result from the USDA decision to allow Poland to use $15.3m. of credit issued earlier this year to buy other U.S. commodities and the award of a further $10m. of similar three-year credit.

Originally, the $15.3m. balance from credit issued last year was earmarked to finance purchases of U.S. cotton, rice, tallow and tobacco.

The decision to broaden the scope of the Department's export credit sales programme is seen as a victory for the USDA over opposition in other sections of the Administration against reinstatement of Government-sponsored export promotion programmes for grains.

Most of the requests had been blocked because of reservations about the adequacy of the supplies warranting export promotion projects.

Reuter

Food research slows down

THE PAST year has seen a "virtual cessation" of growth in research and development for food and agriculture in the U.K., according to a Government report out yesterday.

"The national economic situation has imposed serious financial strains on all parts of our research and development system," says the Joint Consultative Organisation for Research and Development in Agriculture and Food.

"Increase of work in the recommended subjects must thus be achieved by reductions of work elsewhere."

The report says it is important to maintain work on nitrogen fixation by plants; plant and animal breeding; improvement of quality; more use of home grown wheat and barley in bread making and malting; and the prevention of waste through damage, particularly with eggs where shell cracks cost £5m. a year.

Second reports of the Boards of the Joint Consultative Organisation for Research and Development in Agriculture and Food. SO, £1.70.

Slow progress at rubber stocks talks

KUALA LUMPUR, Dec. 18.

EXPERTS FROM the Association of Natural Rubber Producing Countries (ANRPC) ended a four-day meeting in Bangkok without completing a draft rubber price stabilisation agreement, informed sources said.

Quoting returning delegates, the sources said the experts made slow progress towards drafting an agreement.

Members of the ANRPC drafting committee had spent much of the time split into subcommittees examining various aspects of the proposed stabilisation scheme, they said.

Reuter

Small increase in world wool output forecast

THE WORLD wool clip is provisionally estimated at 2,619,000 tonnes greasy in the 1975-76 season, only 0.6 per cent. up on the 1974 clip of 2,602,000 tonnes, the Commonwealth Secretariat says in the November issue of its "Wool Intelligence."

The estimate indicates a slowing down in the rate of recovery in world wool production after a 5 per cent. increase last season. This is attributed to poorer seasonal conditions in several countries and a decline in the relative profitability of rearing sheep for wool. Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Rose sharply on the London Metal Exchange. Consumer inquiry, [illegible] speculative and chartist buying and short-covering combined to push prices higher as selling petered out in the face of the advance. Sentiment was also helped by the December and January force majeure declaration by America's Inspiration Consolidated Copper owing to furnace trouble at its Arizona complex. Forward metal traded up to £597 at one time before ending at £596 on the afternoon Kerb. Turnover, 17,475 tonnes.

Amalgamated Metal Corporation reported that in the morning cash wirebars traded at £568.5, 69, 70, 70.5; three months £588, 88.5, 89, 89.5, 90, 90.5, 91, 91.5, 91, 90.5. Cathodes: Cash, untraded; three months £578. Kerb: Bars, three months £591, 91.5, 92, 91.5. Cathodes: Cash £559. Afternoon: Wirebars, cash, untraded; three months £596, 95.5, 96, 96.5, 97, 96, 96.5, 97. Cathodes: Cash, untraded; three months £584. Kerb: Bars, three months £596, 96.5, 95.5, 96. Cathodes, untraded.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Wirebars				
Cash	570.5-1	+6	576-7	+10
3 months	590.5-1	+5.5	596.5-7	+10
Settlem't	571	+6	—	......
Cathodes				
Cash	558.9	+7.5	563.4	+10.5
3 months	578-.5	+7	583.5-4	+10.5
Settlem't	559	+7.5	—	......
U.S. Prm.	—	......	*63-63.7	......

TIN—Irregular. Renewed buying of cash metal believed to have been on behalf of the buffer stock manager which caused a technical tightness in the nearby supply situation bolstered the cash price while forward drifted owing to lack of interest. Turnover, 790 tonnes.

Morning: Standard, cash £3,070; three months £3,140, 42, 40. High Grade untraded. Kerb: Standard, three months £3,138. High Grade untraded. Afternoon: Standard, cash untraded; three months £3,135, 30, 35. High Grade untraded. Kerb: Standard; three months £3,135, 30. High Grade untraded.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	3070-2	......	3075-8	+5.5
3 months	3138-40	+1.5	3135-8	—2.5
S'ment	3072	......	—	......
Standard				
Cash	3070-2	......	3075-8	+5.5
3 months	3138-40	+1.5	3135-8	—2.5
S'ment	3072	......		
Straits E.	18974	+3	—	......
New York	—	......	—	......

LEAD—Speculative demand coupled with chartist buying and the firmer tone of copper turned prices upwards with forward metal ending at around the day's highest of £174. Turnover, 5,175 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	166-½	+5⅝	166¼-⅜	+2⅝
3 months	173.5-.75	+2	173¾-4	+2⅛
S'ment	166.5	+2.75	—	......
N.Y. Spot	—	......	19-22¾	......

Morning: Cash £166; three months £173, 73.5, 73, 72.75, 73, 74, 73.75. Kerb: All carries. Afternoon: Cash untraded: three months £174, 73.75. Kerb: Three months £173.75, 74.

ZINC—Edged higher in line with the general trend. Small scale influential buying of cash metal was thought to have been on producer account. Turnover, 2,900 tonnes.

In the sugar section, a very small cargo was arranged from Salt River, Jamaica, to U.S. Gulf at $7.75 f.i.o. for Dec.

Miscellaneous chartering included 12,000 long tons scrap from Northern Range to N. Spain at $152,500 f.i.o. for Dec.

COFFEE

Robusta futures gained £15 to £20 per tonne in morning trading.

May 66.55, Sept. 64.75, Nov. 66.70. Business: Jan. 62.50-62.20, March 64.65-64.35, May 66.55-66.35, Sept. 64.65-64.60, Nov. 66.55-66.50.

HGCA—Location ex-farm spot prices: Soft milling wheat—S. Lincoln £63.65. Feed wheat—S. Lincoln, £62.15; Wiltshire £62.70. Feed barley—S. Lincoln £61.15; Wiltshire £60.95.

MARK LANE—Trading remained thin throughout the market and values were hardly changed.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Dec. 18 1975	+ or —	Month ago
Metals			
Aluminium	£420	......	£396
Free Market (cif)	£535-545	......	£530-540
Copper			
Cash Wire Bars	£576.5	+10.0	£570.75
3 months do. do.	£596.75	+10.0	£591.75

CINEMAS

COMPANY NOTICES

BEARER DEPOSITARY RECEIPTS ISSUED BY MORGAN GUARANTY TRUST CY. OF NEW YORK REPRESENTING SHARES MITSUBISHI ELECTRIC CORPORATION

Cash distribution of $0.65 per "Depositary share" is payable on December 24, 1975

ART GALLERIES

CHRISTMAS GIFTS

U.S. Markets

European buying lifts cocoa

NEW YORK, Dec. 17.

COPPER finished higher on chartist buying, coupled with Commission House short-covering. After an initial rally which met local and Commission House selling, precious metals closed slightly higher. Coffee finished easier on trade selling. Cocoa closed strong due to good European arbitrage and trade buying. Sugar finished around unchanged on mixed activity, Bache reports.

Cocoa—Ghana spot 77 nom. (76 nom.). Bahia spot 70 (69). Dec. expired. March 63.85 (62.75), May 60.90 (59.70), July 59.75, Sept. 57.60, Dec. 56.00, March 54.90, May unquoted. Sales: 1,161.

Coffee—Dec. 83.00-83.40 (84.00), March 85.45-84.50 (86.05), May 85.75, July 86.45-86.60, Sept. 87.50-87.60, Dec. 87.50-88.20. Sales: 385.

Copper—Dec. 53.90 (52.70), Jan. 53.90 (52.80 settlements). Feb. 54.30, March 54.70, May 55.70 settlements. Sales: 2,510.

Cotton—March 59.75-59.50 (59.70), May 60.15-60.35 (60.27), July 60.65, Oct. 57.85-58.10, Dec. 56.55-56.75, March 56.95-57.00, May 57.05-57.30. Sales: 3,650.

ΦGold—Dec. 138.60 (138.30), Jan. 138.90 (138.60), Feb. 139.20, April 140.40, June 141.80, Aug. 143.30, Oct. 144.90, Dec. 146.60, Feb. 148.30, April 150.00. Sales: 719.

Greasewool—Spot 170.0 nom. (same). March 160.0-165.0 (162.0), May 158.0-164.0 (160.0), July 157.0-160.0, Oct. 157.0-160.0, Dec. 157.0-161.0, March 154.0-162.5, May 151.0 bid.

†Lard—Chicago loose spot 16.50 asked (16). NY prime steam 18 nom. (17½ traded).

††Maize—Dec. 255½-256 (255), March 264½-264¼ (262½-263), May 269½-270, July 272¾, Sept. 270½, Dec. 264¼-264½, March 271½.

‡Platinum—Jan. 143.50 (143.70), April 145.70 (146.00), July 148.40-148.50, Oct. 151.70, Jan. 154.90-155.10, April 158.10-158.30. Sales: 298.

‡‡Silver—Spot 409.00 (402.00), Dec. 405.70 (403.30), Jan. 406.50 (404.20), Feb. 409.20, March 412.00, May 418.60, July 425.20, Sept. 431.50, Dec. 442.10, Jan. 445.40, March 452.20. Sales: 23,000.

*Soyabeans—Jan. 454-453½ (454½), March 464-463 (464½), May 472½-472, July 450½, Aug. 455, Sept. 489-491, Nov. 496, Jan. 505.

*b*Soyabean Meal—Dec. 120.00-122.00 (119.50), Jan. 128.20-128.10 (128.30), March 132.20-132.00.

Soyabean Oil—Dec. 16.35-16.30 (16.27), Jan. 16.28-16.35 (16.28), March 16.35-16.30, May 16.50-16.55, July 16.70-16.65, Aug. 16.70, Sept. 16.75, Oct. 16.65-16.75, Dec. 16.50-16.55.

Sugar—Spot 13.75 (14.15), Jan. 13.58 bid (13.59), March 13.63-13.67 (13.69), May 13.65-13.63, July 13.65, Sept. 13.62, Oct. 13.63-13.64, March 13.70, May 13.66 nom. Sales: 3,054.

Tin—295-312.00 asked (same).

**Wheat—Dec. 328½-326 (326), March 338-337½ (338½-337), May 343½-344, July 346½-348½, Sept. 352-352½.

WINNIPEG, Dec. 17. ††Rye—Dec. 229 bid (227), May 240 (237½), July 239, Oct. 230.

*c*Oats—Dec. 163½ (161½), May 154 (152½), July 151 bid, Oct. unquoted.

§Barley—Dec. 254½ (250½), May 235 asked (233), July 232 bid, Oct. unquoted.

*d*Flaxseed—Dec. 631 bid (618), May 644 asked (633½), July 648, Oct. 632 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 473½ (474½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs —Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡Cents per troy ounce ex-warehouse. *b* New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse. 5,000 bushel lots. *c* Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse. 3,000 bushel lots. *d* Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Leaders close on a firm note after initial dullness

Index up 0.4 at 368.7, after 366.4—Distillers please

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec. 1	Dec. 10	Dec. 11	Dec. 22
Dec. 12	Dec. 23	Dec. 24	Jan. 7
Dec. 29	Jan. 8	Jan. 9	Jan. 20

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Early dullness in equity markets gave way to a firm underlying trend by the close yesterday. Business remained at a low level, but trading statements from leading companies helped enliven the proceedings and contributed to a modest increase in activity; official markings of 5,472, the highest so far this week, compared with 4,874 on Wednesday and 4,544 on Tuesday. Among the day's features, Distillers were outstanding with a rise of 8 at 138p on the first-half results, which were well above market expectations, while MEPC advanced 9 to 77p on the better-than-expected interim statement. Half-year figures also helped Cavenham at 135p, up 6.

Leading Industrials encountered light selling in the earlier dealings, but this dried up around lunch time and prices began to edge higher in the afternoon. Final quotations were narrowly mixed and the FT 30-share index, which touched its lowest of the day at 1 p.m. with a fall of 1.9, closed a net 0.4 higher at 368.7. The Government's economic package had very little impact, although selected consumer shares showed modest gains.

Overall the trend was mixed, but falls just had the edge over rises in FT-quoted Industrials. The more broadly-based FT-Actuaries All-Share index hardened 0.5 per cent. to 155.08.

Heavy demand for 'tap'

Interest again revolved around the short "tap," Treasury 10½ per cent., 1979, "A", and such was the demand the Government broker *thrice raised his price for* supplies of the stock, leaving the market with the impression that he would be operational next at 95¾. Several other high-coupon British Funds of shorter maturity were active and Treasury 9½ per cent., 1980, rose 3/16 to 91½, while *Treasury 11½ per cent., 1981*, which becomes a short next month, moved up to 96½, before late switching into the short "tap" pared the gain to 1/16 finally, at 96 1/16. Meanwhile, remaining mediums and longs, having recently withstood adverse influences, *edged forward again to* close generally ⅛ better, although occasional improvements of ¼ were established. The Government Securities index hardened 0.07 more to 58.71, its highest since October 3 last. Corporations experienced a small revival and staged *rises to ⅜ maximum.*

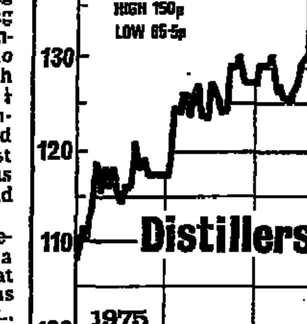
The investment currency premium lost further ground, but a fair two-way trade developed at the lower rates and the close was above the lowest at 112 per cent., after 111½ per cent., for a loss on the day of 1½ points. Romanian bonds sprang into prominence late in the evening, the 4 per cent. Consols rising 2 points to £18 and the 4 per cent. External 3 points, also to £18. Yesterday's SE conversion factor was 0.6073 (0.6013).

Hughes Tool continued to improve in Recent Equities, ending 1½ higher at £34¾.

Distillers feature

Distillers featured with a rise of 8 to 138p, after 139½p, in response to the better-than-expected half-yearly figures. Interim results also helped H. P. Bulmer, at 93p, up 4.

The relief expressed on the Property pitch with the MEPC preliminary statement helped sentiment in the Home Banks, which improved afresh on thin support to close with gains to 8. *Midland were that amount better* at 293p and Barclays rose 7 to 302p, while improvements of 5 were seen in Lloyds, 237p, and National Westminster, 245p. Bank of Scotland moved up 4 to 290p, but Irish Banks were out of favour, Allied closing 4 down at *120p and Bank of Ireland 10*



cheaper at 350p. Cater Ryder slipped 5 to 245p in otherwise little moved Discount Houses. Merchant Banks provided firm spots in Guinness Peat, 174p, and Hambros, 188p, up 4 and 3 respectively, but Wintrust, 56p, and *Kleinwort Benson*, 116p, eased 2 apiece. Hire Purchases remained little altered on the Government's relaxation of controls.

Insurances were again neglected and barely changed. Stenhouse closed a penny better at 84p following the results.

Tunnel "B" continued firmly in Buildings, improving 8 more to a 1975 peak of 196p for a two-day rise of 12. Howard Shuttering hardened 1½ to 23p with the help of a Press mention, while higher *interim earnings took A. Monk* up a penny to 44p. H. and R. Johnson-Richards, at 218p, held the previous day's rise of 30 which followed the interim report. H. C. James, on the bid situation, eased 6 to 164p in sympathy with a fall of 4 to 108p in Barratt Development. *Among the smaller-priced* issues, French Kier eased a penny to 11p and British Dredging cheapened 2 to 14p.

After reaching a new 1975 peak of 330p, ICI reacted to close unchanged on the day at 329p. Elsewhere in Chemicals Stewart Plastics, *still reflecting the breakdown of the merger discussion* with Bowater, reacted afresh to 73p before rallying to close only 2 easier on balance at 80p for a two-day fall of 18.

Utd. Scientific good

The Chancellor's economic package continued to make only a minor impression on Television manufacturers and rental issues, which closed just a little firmer. Thorn Electrical, 210p, and Decca, 258p, managed to close 4 harder, while Electronic Rentals put on 2 to 67p and Telefusion a penny to 27p. Elsewhere in Electricals, United Scientific were a particularly good market, recording a rise of 11 at a peak for the year of 83p on the sharply higher profits and bullish statement on prospects. News of the £1.6m. *share placing at 142p per share* brought an initial reaction to 153p in Pethow, but the price subsequently rebounded to end a penny up on balance at 160p on consideration of the doubled half-time profits and dividend forecast. Muirhead, at 110p, gave up 2 of the recent speculative rise following the reported bid denial.

Stores closed modestly better, sentiment being helped by thoughts that the measures taken by the Chancellor in his pre-Christmas economic package might stimulate consumer spending. UDS finished 2 up at 88p, while Debenhams, 85p, and "Gussies" "A," 193p, both closed a penny harder. House of Fraser were active, but ended without alternation at 73p. Notable beneficiaries from the Chancellor's proposals included Cantors "A," 29p, and Hardy and Co. (Furnishings) "A," 41p, which put on 3 and 2 respectively. Combined English Stores added 2 at 81p as did Mothercare at 170p. In Mail Orders MFI Warehouses edged up 2 to 34p.

GKN made steady progress in Engineerings, closing 7 higher at 268p, but other leaders were only fractionally harder and Hawker, a firm market of late, actually shed 4 to 342p. Consideration of the record profit forecast put Edbro up 5 to 79p, but Baker Perkins *improved only 1 to 59p* despite the marked first-half recovery. Profit-taking after the stimulating preliminary figures put Redman Heenan down 1½ to 17½p, while selling of similar nature took Westland back 1 to 59p, after 58p; the latter's peak profits and optimistic statement were considered highly satisfactory. Elsewhere Fairey were quoted ex "rights" at 66p with the new nil-paid at 6½p premium, and Green's Economisers were also ex "rights" at 79p with the new nil-paid at 22p premium.

Cavenham featured Foods, rising 6 to 135p in active trading on the interim statement. Elsewhere, movements of any significance were few and far between. Sugars had Tate and Lyle 3 easier at 237p and Manbre and Garton 5 cheaper at 124p. Batleys of Yorkshire, at 45p, gave up 3 of the previous day's rise of 5 which followed the interim report. Unigate finished a fraction easier at 56p folowing Press comment on the interim figures.

Unilever higher

Miscellaneous Industrial leaders mainly stayed close to overnight levels, but Unilever recorded a fresh improvement at 422p, while Reed International ended similarly firmer at 248p. BOC International, on the other hand, met profit-taking in the wake of Wednesday's *good results* and reacted 2 to 57½p. The Chancellor's economic package helped Caravans International to improve 2 to a peak for the year of 21½p and also induced small gains in Furniture issues; Parker-Knoll "A," 59p, Gomme, 88p, after 90p, and Harris Lebus, *41p, all ended 2 firmer.* Lindustries, still aided by the second interim report, added 3 at 59p for a two-day rise of 7. Philip Harris put on 2 more to 52p, benefiting from the increased half-time profits. Cape Industries rose 6 to 140p and Crest Nicholson 2½ to 35p, while Phillips Patents, 8p, and Eastern Produce, 25p, both put on 2. However, Trafalgar House met profit-taking and closed 2 easier at 108p, after 106p, following Wednesday's gain of 2 on the results and dividend forecast accompanying the "rights" offer. Dobson Park shed 2 to 43p despite the profits advance.

The main item of interest in Motors and Garages was the announcement that Dana Corporation are making an agreed partial bid for Brown Bros. of 22p cash a share for 50 per cent. of the equity not already owned; the latter's shares closed 2 better at a 1975 peak of 18p. Henlys, owners of a substantial shareholding in BB, improved 6½ to 77p in sympathy. Elsewhere, Pride and Clarke were raised 6 to 111p. Lucas Industries were a penny better at 177p, after 174½p, but Dunlop finished 2 easier at 68p.

Selected Newspapers ran into a little selling and News International lost 3 to 128p, while Daily Mail "A" slipped back 4 to 178p. Paper/Printings, on the other hand, tended to harden in places with both British Printing, 45p, and Inveresk, 65p, gaining the turn.

MEPC advance

The Property sector was heartened by the MEPC preliminary statement, which proved to *be much better than was feared.* There was good investment buying of the leaders which closed at the day's best with MEPC to the fore at 77p, up 9. Land Securities rose 6 to 166p, while English Property, with half-time results due to-day, appreciated 4 to 52½p; the latter's 6½ per cent. Convertible moved ahead 8 points to £107. Amalgamated Investment and Property put on a penny to 15p. Generally minor gains occurred elsewhere, although Bernard Sunley stood out with an advance of 12 to 142p in a thin market. Improvements of around 2 were registered in Peachey, 28p, Wingate Investments, 27p, and Investment and Property Holdings, 17p. Marler Estates closed a shade firmer at 13½p following the first-half results.

A few institutional buyers came for British Petroleum and the result was a fairly swift rise to 577p, the day's best and a gain of 12. Shell were not included and improved only marginally to 368p, up 2, but Ultramar found followers and rose 4 to 200p. Further small demand in a market lacking stock put Oil Exploration up 4 more to 65p, while industry reports of encouraging shows of hydrocarbons in Brae Field (North Sea) drilling failed to help Pan Ocean, 15 lower at 845p, but Siebens (U.K.) up 20 to 235p.

Overseas Traders eased a shade in places, but S. Hoffnung, 97p, and James Finlay, 134p, hardened 2 apiece. S. and W. Berisford shed a penny to 134p, the profits expansion having already been discounted.

S. Pearson, at 126p, recouped 3 of the previous day's fall of 5 in Trusts and Financials. Small *speculative interest* raised Lampa Securities 3 more to a 1975 peak of 95p and Malit Securities 3½ to 27½p, after 30p. Charterhouse Group finished a penny harder at 54p, after 49p, following the preliminary figures. Yule Catto contrasted with a fall of 3 to 27p.

Down initially to 95½p following Press comment on the near 14m. share placing, P and O Deferred rallied to close a penny better on balance at 97p. Other Shippings tended easier.

Textiles appeared unimpressed by the temporary import controls, but Carpet issues made occasional limited progress, still in response to the lifting of HP restrictions and Carpets International picked up 2 more to 84p. Courtaulds were finally 1 harder at 148p, but Carrington Viyella lost 2 to 29p *following comment on the ICI* stake. Elsewhere, Textured Jersey continued in firm vein, rising 2½ to 18½p and Illingworth Morris were 2 better at 29p on the interim figures.

Rothmans figured prominently in Tobaccos, moving up 1½ to 35p, the day's highest level, after the pleasing first-half results.

Mines drift

Australian mining shares lost ground for the fourth consecutive trading day in line with overnight markets in Melbou[rne and] Sydney. The continuing w[eakness] of the investment dollar p[remium] was also an unsettling f[actor].

Pancontinental fell 30 while Peko-Wallsend gave [...] to 445p. Ocean R[...] dropped 5 to 17p and [...] Mining lost 4 to 141p, aft[er ...] Other stocks showing [...] included Gold Mines of Ka[lgoorlie] and Poseidon, both 5 lo[wer at] 60p and 195p respectively.

In Coals, Thiess Holdi[ngs re]treated 10 to 230p but Oa[...] put on 5 at 75p.

South African Gold sha[res did] *little more than mark* [time in] quiet trading despite the [fall in] the bullion price, whi[ch] finally down 50 cents at [...] per ounce. In the abs[ence of] any overseas interest, shar[es] eased in line with the inv[estment] premium.

Of the stocks that conti[nued to] decline, both West Dri[efontein] (£34) and Free State Gedu[ld] lost ¼ with Free State S[...] reaching a year's low [...] down 2.

On the other hand East [...]tein rose 15 to 920p an[d ...]beest (£16) and Presiden[t ...] (£10) were both ¼ bette[r. The] Gold Mines index eased 0.3 to 220.8.

In Financials, De Bee[rs rose] 3 more to 296p on furt[her con]sideration of the diamo[nd ...] increase. "Amgold" ro[se ... to] £26¾, but GFSA lost a [similar] amount to £20½. Among [...] Minorco fell a further 4 [...] on London selling. P[...] were neglected, as were [...]

Elsewhere, Murchison [rose] 30 to 790p following Wed[nesday's] sharp rise.

FINANCIAL TIMES STOCK INDICES

	Dec. 18	Dec. 17	Dec. 16	Dec. 15	Dec. 12	Dec. 11	A
Government Secs.	58.71	58.64	58.61	58.41	58.42	58.53	
Fixed Interest	58.68	58.66	58.66	58.67	58.68	58.61	
Industrial Ordinary	368.7	368.3	367.8	365.5	362.3	368.1	
Gold Mines	220.8	221.1	225.4	225.9	225.5	234.1	
Ord. Div. Yield %	5.67	5.69	5.71	5.78	5.80	5.87	
Earnings Y'ld % (full) (a)	15.82	15.86	15.92	16.11	16.17	16.29	
P/E Ratio (net) (a) (b)	9.20	9.18	9.14	9.05	9.00	8.93	
Dealings marked	5,472	4,874	4,544	5,335	5,232	5,674	
Equity turnover £m.	—	73.92	44.00	49.28	49.55	61.20	
Equity bargains total	—	12,840	12,081	12,608	11,472	14,878	1

10 a.m. 367.6. 11 a.m. 367.9. Noon 368.9. 1 p.m. 368.4. 2 p.m. 367.9. 3 p.m. 368.8.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=9.12.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	377.8 (19/11)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/6)	218.4 (1/12)	442.3 (22/6/75)	43.5 (26/10/71)

S.E. ACTIVIT[Y]

—	Dec. 18	
Daily—		
Gilt-Edged	150.9	
Industrials	188.8	
Speculative	36.7	
Totals	124.5	
5-day Av'r'ge		
Gilt-Edged	148.8	
Industrials	173.3	
Speculative	36.9	
Totals	115.9	

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity groups	Thursday, Dec. 18, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. Dec. 17 Index No.	Tues. Dec. 16 Index No.	Monday Dec. 15 Index No.	Friday Dec. 12 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	139.18	—	16.64	6.02	9.04	9.04	139.20	138.06	136.70	136.27	55.45	143.25 (18/11)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (29)	135.89	-0.3	12.65	6.18	12.09	12.08	136.31	134.47	131.93	131.22	47.71	138.19 (18/11)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	240.50	-0.6	14.62	4.00	10.57	10.57	241.92	241.02	238.73	237.49	81.34	263.54 (18/11)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	240.91	-0.1	18.25	4.81	8.05	8.05	241.13	239.89	238.59	240.92	106.08	254.66 (18/11)	98.49 (3/1)	360.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	159.11	+0.2	20.35	7.36	7.49	7.49	158.86	158.84	158.19	156.94	68.45	164.07 (19/11)	64.39 (2/1)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	122.45	+0.4	18.02	6.87	8.32	8.32	121.99	120.59	119.48	118.36	49.01	125.16 (19/11)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	49.55	+1.0	17.04	8.52	10.58	10.56	49.08	49.01	49.55	49.21	21.53	50.91 (21/11)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	118.55	-0.1	17.73	6.97	8.50	8.50	118.63	118.70	117.76	117.43	53.54	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (36)	116.81	-1.0	15.83	5.32	9.52	9.51	115.62	114.83	113.42	113.45	42.08	117.43 (19/11)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	*Electronics, Radio TV etc. (15)*	*132.08*	*+1.3*	*14.31*	4.05	*10.45*	*10.44*	*130.42*	*129.48*	*127.41*	127.92	46.88	132.08 (18/12)	44.28 (6/1)	257.41 (19/6/72)	42.85 (12/12/74)
11	Household Goods (14)	165.04	+1.1	14.83	6.43	9.90	9.87	163.17	161.56	161.25	161.38	65.46	168.90 (18/11)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	67.79	+0.6	18.73	6.91	8.20	8.20	67.41	67.06	66.36	65.95	23.70	70.25 (18/11)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	146.60	+0.3	13.52	5.93	10.92	10.81	146.21	145.96	144.78	144.56	66.91	152.28 (18/11)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	158.95	+0.2	13.17	6.58	11.50	11.50	158.65	159.81	159.60	159.70	79.63	172.53 (12/11)	76.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	170.30	+5.8	11.21	5.92	13.54	13.54	161.00	160.76	157.23	156.60	85.89	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (16)	184.73	-0.8	11.75	6.58	13.64	12.99	186.23	187.30	183.85	182.29	63.17	187.30 (16/12)	55.28 (6/1)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	158.93	+0.1	13.39	5.16	10.45	10.38	158.85	158.45	157.44	156.95	65.73	166.80 (18/11)	62.05 (2/1)	211.65 (1/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	143.76	—	10.73	4.80	13.54	13.54	143.84	143.15	142.99	140.49	60.13	155.88 (10/11)	57.15 (2/1)	235.08 (15/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	160.39	+0.1	14.24	6.30	10.51	10.51	160.19	159.91	159.05	158.05	60.27	161.96 (3/12)	55.08 (6/1)	250.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	101.90	-0.1	21.65	7.49	6.87	6.88	101.96	101.47	100.03	100.02	48.65	107.12 (20/5)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (33)	120.93	-0.1	12.48	5.59	12.25	12.25	121.07	120.47	119.70	120.59	57.01	132.94 (24/10)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (22)	159.64	-0.4	14.91	6.76	8.63	8.10	160.31	160.06	156.63	155.80	70.19	162.58 (12/11)	62.91 (6/1)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobaccos (3)	210.43	+0.5	16.10	6.40	9.45	9.45	209.34	208.63	207.98	207.60	120.77	218.96 (12/11)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	62.84	-0.6	22.76	6.32	6.15	6.15	63.21	63.00	61.39	60.32	21.88	63.76 (20/11)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	195.57	+0.1	14.24	4.92	9.85	9.84	195.31	194.91	193.09	192.23	78.83	195.57 (18/12)	73.14 (6/1)	201.92 (31/1/69)	71.20 (1/12/74)
26	Office Equipment (10)	86.08	-0.3	15.49	6.05	9.05	9.05	86.33	86.29	85.64	86.46	47.25	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	355.69	-0.4	21.19	6.83	6.04	5.80	356.96	364.59	361.27	356.59	222.98	404.18 (18/11)	194.38 (6/1)	517.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	150.77	+0.3	16.12	6.97	9.22	9.21	150.35	149.77	148.33	148.15	67.75	156.36 (19/11)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	147.08	+0.2	14.86	5.87	9.87	9.82	146.78	146.31	144.99	144.67	63.99	151.53 (18/11)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	325.37	+1.4	15.46	4.95	7.22	6.47	320.98	319.55	318.10	317.22	120.09	338.18 (18/11)	105.83 (2/1)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	161.93	+0.4	14.95	5.73	9.34	9.09	161.32	160.77	159.43	159.06	68.76	167.07 (18/11)	63.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	133.15	+1.0		5.35	—	—	131.81	131.37	130.07	130.17	60.75	148.45 (23/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	166.43	+2.2	17.51	4.84	8.73	8.73	162.77	162.06	160.09	161.19	70.15	177.11 (5/6)	62.56 (2/1)	288.32 (30/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	164.06	—	—	7.51	—	—	164.13	162.64	162.90	163.68	85.99	171.13 (18/11)	84.13 (6/1)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	103.88	-0.7	—	6.36	—	—	104.60	101.29	99.89	101.45	49.02	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	114.31	—	—	5.98	—	—	114.31	114.37	113.86	113.04	47.08	129.31 (18/11)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	104.58	—	—	6.54	—	—	104.58	104.45	103.22	103.34	47.96	123.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (10)	217.69	+0.4	9.71	4.14	15.53	15.53	216.87	216.19	214.68	214.92	69.88	232.39 (19/11)	68.96 (7/1)	362.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (18)	83.87	-0.4	—	6.42	—	—	84.24	83.67	83.86	83.41	35.13	94.97 (7/5)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	159.50	+2.5	3.65	3.48	45.59	43.30	155.57	155.14	153.09	152.44	95.86	241.22 (22/4)	88.19 (7/1)	357.40 (3/11/73)	86.01 (20/4/65)
41	Miscellaneous (4)	76.51	-1.7	13.10	6.31	12.20	12.05	77.82	77.82	77.48	76.48	36.08	80.81 (26/11)	34.78 (10/1)	303.13 (12/6/72)	33.29 (17/12/74)
42	*Investment Trusts (50)*	166.90	-0.1	*3.02*	4.28	33.15	33.13	167.00	166.41	165.87	166.76	75.95	178.55 (8/6)	73.43 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	155.08	+0.5	—	5.58	—	—	154.55	153.83	152.55	152.35	67.04	160.65 (18/11)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44	Rubbers (9)	389.58	+3.0	16.45	8.61	*9.53*	*9.31*	*378.29*	*377.35*	*375.65*	*377.56*	*284.94*	525.43 (25/5)	281.66 ([illegible])	556.57 ([illegible])	84.68 ([illegible])
45	Teas (9)	115.63	-0.3	40.89	8.96	3.59	3.53	115.92	115.92	115.05	115.74	77.53	124.57 (11/11)	76.76 ([illegible])	124.57 (11/11/75)	59.72 (17/10/74)
46	Coppers (3)	251.97	-1.2	39.38	6.62	2.54	2.54	255.14	255.14	255.14	260.37	372.36	467.74 (27/5)	251.97 (18/12)	567.78 (15/7/73)	94.08 (23/4/62)
47	Mining Finance (11)	109.31	-0.4	10.86	4.68	10.39	10.39	109.71	110.01	109.95	110.77	88.36	141.54 (30/5)	80.58 (22/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	87.86	-0.1	14.23	10.28	10.02	9.41	87.97	88.74	88.74	88.82	60.66	114.49 (3/6)	58.91 (6/1)	136.43 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	215.10	-0.4	15.58	4.86	8.21	8.20	215.96	214.69	213.93	214.02	—	252.23 (23/5)	97.37 (6/1)	262.25 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Thurs. Dec. 18 Index No.	Thurs. Dec. 18 Yield %	Wed. Dec. 17	Tuesday Dec. 16	Monday Dec. 15	Friday Dec. 12	Thurs. Dec. 11	Wed. Dec. 10	Tuesday Dec. 9	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols. 2½% yield	—	14.93	14.92	14.91	14.91	14.89	14.88	14.88	14.87	16.96	—	—	—	—
2	20-yr. Govt. Stocks (6)	46.31	13.99	46.25	46.05	45.86	46.00	46.15	46.38	46.40	39.43	53.09 (29/5)	38.27 (3/1)	115.42 (11/9/65)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	49.13	15.05	49.16	49.18	49.15	49.15	49.18	46.17	46.07	37.36	50.66 (21/5)	37.01 (3/1)	113.43 (28/10/65)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	46.73	14.81	46.73	46.58	46.46	46.46	46.30	46.30	46.35	35.30	47.30 (29/7)	35.35 (3/1)	114.41 (15/9/65)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	63.43	15.02	63.48	63.22	63.15	63.30	63.57	63.67	63.95	49.97	63.02 ([illegible])	47.67 (6/1)	114.95 (7/1/66)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76	All Other	10/4/62	100.00
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	162.74			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGES: Magnet Joinery and Southern Evans have merged to become Magnet and Southerns (Building Materials). Johnson and Firth Brown is a new constituent of Capital Goods Misc.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
MEPC	25p	12	77	+9	231	53
BP	£1	11	577	+12	598	190
ICI	£1	11	329	—	330	118
Trafalgar House	20p	10	108	-2	122	23
Utd. Scientific	25p	8	83	+11	83	14½
Glaxo	50p	7	373	-2	427	198
Royal Insurance	25p	7	296	—	320	106
Shell Transport	25p	7	368	+2	390	118
BOC Int.	25p	6	57½	-2	60	16½
Beecham	25p	6	338	-1	344	116
Burmah Oil	£1	6	29	—	100	27
Carrington Viyella	25p	6	29	-2	31	10
GKN	£1	6	268	+7	277	93
Lesney Products	5p	6	43	-1	44	12
Reed Int.	£1	6	248	+6	297	124

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 9	Dec. 22	Mar. 4	Mar. 16
Dec. 23	Jan. 6	Mar. 18	Mar. 30
Jan. 8	Jan. 19	Apr. 1	Apr. 13

"Calls" were done in Reardon Smith "A," British Dredging, Grand Metropolitan, Norwest Holst, MEPC, Samuel Properties, Town and City, Orme Developments, Cavenham Warrants and British Land. No "puts" were reported, while "doubles" were arranged in House of Fraser, Slater Walker, Samuel Properties and Town and City.

Industrials							
A. P. Cement	15	Guardian	20	Spillers	5	Shell	28
Assoc. Leisure	3	G.K.N.	22	Tesco	6	Ultramar	20
Barclays Bank	25	Hawker Sidd.	27	Thorn "A"	20		
Beecham	28	House of Fraser	8	Tube Invest.	27	Mines	
Boots Drug	12	I.C.I.	21	Unilever	40	Anglo Amer.	50
Bowaters	16	"Imps"	7	Utd. Drapery	10	Charter Cons.	19
B.A.T.	30	I.C.L.	7	Vickers	13	Chart'rh'll Fin.	6
British Leyland	7	Inveresk	7	Williams Hud'n	4	Cons Gold	18
BOC Int.	5½	Legal & General	15	Woolworths	6	De Beers Def.	35
Burton 'A'	7	Ladbroke	11			F. S. Geduld	350
Cadburys	6	Lloyds Bank	22	Property		Great Boulder	12
Courtaulds	11	"Lots"	5½	Amal. Inv.	4	Hampton Areas	14
Debenhams	8	"Mams"	6	Brit. Land	4	Hampton Prop.	4
Distillers	13	Marks & Sp'ncer	11	Cap. Counties	4½	Kloof	140
Dunlop	5½	Midland Bank	25	E.P.	8	Lonrho	13
Eagle Star	13	Nat'l West Bank	22	Land Securities	18	Loraine	55
E.M.I.	17	"do" Warrants	10	MEPC	9	Poseidon	55
Gen. Accident	16	P & O Dfd.	11	Peachey	6	Pres. Steyn	275
Gen. Electric	13	Plessey	8	Town & City	4½	Rio T. Zinc	20
Glaxo	35	R.H.M.	6	Town & Comm.	4	Welkom	56
Grand Met.	7	Rank Org. 'A'	18			West Areas	75
G.U.S. 'A'	17	Reed Int'l.	23	Oils		Western M'ng.	18
		Rothmans	4	Brit. Petroleum	42		
		Slater Walker	5½	Burmah Oil	4		

NEW HIGHS AND LOWS FOR 1975

The following securities (number in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (42)

BRITISH FUNDS (2)
Treas. 10½pc '79 'A' Exchqr. 5pc '76-78
CORPORATION LOANS (2)
Bristol 6½pc '75-77 Essex 5½pc '75-77
CANADIANS (1)
Trans. Can. Pipeline
BEERS (1)
Bulmer (H. P.)
BUILDINGS (3)
Johnson-Richard Tunnel Hldgs. 'B'
Meyer (Mont. L.)
CHEMICALS (2)
Farm Feed ICI
STORES (3)
MFI Samuel (H.) 'A'
Readicut
ELECTRICALS (4)
Campbell & Isherwd. Ultra Elect.
Elect. Rentals United Scientific
ENGINEERING (6)
Allen (E.) Balfour Edbro
Baker Perkins Green's Economiser
Deritend Stamping Neepsend
FOODS (2)
Clover Dairies Northern Foods
INDUSTRIALS (8)
Amal. Metal Nathan (B. & I.)
Caravans Internatl. Parker Knoll 'A'
Christie-Tyler Spear (J. W.)
Gomme Stonehill
MOTORS (2)
Brown Bros. Turner Mfg.
PAPERS (1)
Bemrose
TEXTILES (2)
Illingworth Morris Ill'worth Morris 'A'
TOBACCOS (1)
Rothmans Internatl.
TRUSTS (1)
Lampa Secs.
MINES (1)
Yukon Cons.

NEW LOWS (5)

BUILDINGS (1)
British Dredging
INDUSTRIALS (1)
Flexwilton
MINES (3)
East Rand Prop. F.S. Saaiplaas
Leslie

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	32	1	22
Corpns. Dom. and Foreign Bonds	14	—	59
Industrials	258	249	1,203
Financial and Prop.	106	54	435
Oils	11	3	20
Plantation	1	6	40
Mines	15	42	95
Recent Issues	13	5	27
Totals	450	360	1,892

MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 11¼ per cent. (since November 28, 1975)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave a large amount of assistance by buying Treasury bills from the Discount houses. Banks brought forward surplus balances from Wednesday and Government disbursements exceeded revenue payments to the Exchequer. These were outweighed however by: a net market take-up of Treasury bills, official holdings of maturing local authority bills, a continued rise in the pre-Christmas note circulation, and settlement of moderate gilt-edged sales.

Discount houses paid about 11 per cent. for secured call loans at the start, and closing balances were taken at 10½-10⅝ per cent.

In the inter-bank market overnight loans remained within a rather narrow range of between 10¾ per cent. and 11⅛ per cent.

Short-term fixed period interest rates were generally firmer, with the three-month sterling certificate yield increasing to 11¼-11 5/32 per cent., from 11⅛-11 per cent. previously.

Rates in the table below are nominal in some cases.

Dec. 18 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	10¾-11⅛	—	—	—	11¼-11½	10½-11	—	—	—
2 days notice	—	—	10⅞-11	—	—	—	—	—	—	—
7 days or 7 days notice	—	10⅞-11	10⅞-11⅛	—	—	—	10¾-11	—	—	—
One month	11[illegible]-10⅞	10⅞-11[illegible]	10⅞-11⅛	11⅛-11⅛	11-12½	—	10¾	10[illegible]-10⅝	10⅞	11⅛-11⅛
Two months	11⅛-10[illegible]	11-11[illegible]	—	11⅛-11⅛	11-12½	—	10¾	10[illegible]-10[illegible]	10[illegible]-10⅞	11⅛-11⅛
Three months	11¼-11[illegible]	11[illegible]-11¼	11⅛-11[illegible]	11⅛-11⅛	11-12½	—	10¾	10⅞-10[illegible]	10[illegible]-10⅞	11⅛-11⅛
Six months	11[illegible]-11[illegible]	11[illegible]-11[illegible]	11¼	11⅛-11⅛	11-12½	—	—	—	10[illegible]	11⅞-11⅝
Nine months	11⅝-11[illegible]	11¾-11[illegible]	—	11½-11¼	11½-13	—	—	—	—	—
One year	11½-11⅝	11⅝-11[illegible]	12-12½	11[illegible]-11⅝	11½-13	—	—	—	—	—
Two years	—	—	12-12½	12[illegible]-12⅝	12⅜-12⅝	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Longer-term local authority mortgage rate nominally three years 13¼-13½ per cent.; four years 13½-13¾ per cent.; five years 13¾-14 per cent. ⊕ Bank bill rates in table are buying rates for prime paper, buying rates for four-month bank bills 10 15/16-10⅞ per cent., and four-month trade bills 11¼-11⅜ per cent. Approximate selling rates for one-month Treasury bills 10 11/16 per cent.; two-month 10⅝-10 11/16 per cent.; three-month 10 25/32-10⅞ per cent. Approximate selling rate for one-month Bank bills 10 15/16-10⅞ per cent.; two-month 10 15/16 per cent.; and three-month 10 15/16 per cent.; for one-month trade bills 11¼ per cent.; two-month 11 5/32 per cent.; and three-month 11 5/32 per cent.

Finance House Base Rate (published by the Finance Houses Association) 12 per cent. from December 1. Clearing Bank Deposit Rate for small sums at seven days' notice 7 per cent. Clearing Bank Rates for lending 11 per cent. Treasury Bills: Average tender rates of discount 10.8931 per cent.

BASE LENDI[NG] RATES

AFI International
Allied Irish Banks Lt[d.]
Anglo-Portuguese Ban[k]
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Cayzer Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of Sco[tland]
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminst[er]
Northern Comm. Tru[st]
Norwich General Tru[st]
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept's
Schlesinger Limited
E. S. Schwab
Security Trust Co. Lt[d.]
Shenley Trust
Standard Chartered
Sterling Credit
Thames Guaranty
Trade Development B[ank]
Twentieth Century B[ank]
United Bank of Kuwa[it]
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%, 1-month 7¼%.
† 7-day deposits on sums of under 7%, up to £25,000 over £25,000 8¼%.
‡ Demand deposits 8¼%.

CORAL INDEX
Close 368-373

I.G. INDEX
GOLD 137½-140

INSURANCE B[ASE] RATES

† Atlantic Assurance
Cannon Assurance
† Address shown under Insurance and Property Bond table

AUTHORISED UNIT TRUSTS

G.T. Unit Managers Ltd.♥
18, St. Martins-le-Grand, EC2. 01-600

G.T. Cap. Inc.	54.5	58.3	......	
Do. Acc.	62.3	66.3	......	
G.T. Inc. Fd. Un.	102.6	109.1	......	
G.T. U.S. & Gen.	115.8	122.3	......	
G.T. Japan & Gen.	169.7	180.6	......	
♦Gt. Pens. Ex. Fd.	110.4	115.9	......	

G. & A. Tst. Mgrs. (a) (g)
5, Rayleigh Rd., Brentwood. (0277) 22

G. & A.	24.7	26.4	−0.2	

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the shares previously shown under regional headings is presented below with quotations in London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

...y Inv. 20p	16	......	Graig Ship. £1	320	......	Shiloh Spinn.	27	......
...pinning	33	......	Hallam Sleigh 10p	6	......	Sindall (Wm.)	52	......
...	21	......	Higsons Brew.	92	......			
...tr. Ed. 50p	138	......	I.O.M. Stm. £1	128	......	IRISH		
...e Croft	35	......	Holt (Jos.) 25p	260	......			
...& Rose £1	320	......	Kleen-e-Ze	17xd	......	Alliance Gas (£1)	80	......
...(R.A.)	30xd	......	Lovell's Ship £1	70	......	Carroll (P. D.)	124	......
...& McHdy.	40xd	......	N'thn. Goldsmith	89	......	Clondalkin	58	......
...Fr'k 10p.	33	......	P.M.A.	48	......	Concrete Prods.	92	......
...d	10	......	Pearce (C. H.)	80	......	Goodbody (£1)	34	......
...orge	40	......	Peel Mills	12	......	Heiton (Hldgs.)	29	......
...Mfg. 5p.	16	......	Richards 10p	13	......	Irish Distillers.	66xd	−...
...Reed 50p.	130	......	RobbCaledon5h.	37	......	Irish Wire	40	......
...ner & Sons	11	......	Sayers 12½p	7	......	Jacob	73	......
...ner (L.)	64	+2	Sheffield Brick	65	......	Sunbeam	8	......
			Sheff. Refrshmt.	140	......	Unidare	63	......

...OOD PRICE MOVEMENTS

	Dec. 18 £	Week ago £	Month ago £
...ON			
Danish A.1. per ton†	955	955	955
British A.1. per ton†	945	945	945
Irish Special per ton†	940	940	940
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton¶	945	945	945
...TER (packet)			
NZ per 20 lbs†	7.61- 7.67	7.61- 7.67	7.61- 7.67
English per cwt†	45.39-47.77	45.39-47.77	45.39-47.77
Danish salted per cwt†	46.63-47.49	46.63-47.55	46.43-47.55
...ESE¶			
English cheddar white rindless per tonne	—	—	—
NZ per tonne	824	824	824
...S*			
Home-prod. Standard	2.90- 3.10	3.00- 3.15	2.70- 2.85
Large	2.95- 3.40	3.20- 3.40	2.90- 3.10
	Dec. 18 per pound p p	Week ago per pound p p	Month ago per pound p p
...F			
Scottish killed sides ex KKCF	38.0—41.0	37.0—40.0	34.0—37.0
Eire forequarters	25.0—27.0	25.0—27.0	26.0—28.0
Argentine chilled rumps	—	—	—
...B			
English	32.0—36.0	32.0—35.0	31.0—34.0
NZ 2-Ds	32.0—34.0	31.5—34.0	30.0—33.0
...K (all weights)	29.0—39.0	29.0—39.0	27.5—39.5
...TON			
English ewes	16.0—20.0	16.0—20.0	—
...LTRY			
Broiler chickens	21.5—25.5	21.5—25.5	21.0—26.0

* London Egg Exchange price per 120 eggs. † Delivered. ¶ delivery December 20-27.

...BLIC NOTICES

...EAST SUSSEX C.C. ...Bills issued 17th December due ...1976 at 10¼%. Applica... ...£30m. Total outstanding

...CYNON VALLEY B.C. ...Bills issued 18th December ...March 1976 at 10¼%. Applica... ...£3m. Bills outstanding

...METROPOLITAN COUNCIL ...2,500,000 money bills for issue ...December, 1975, to mature on ...1976. Tenders were received ...and bills were allotted ...The minimum price ...10.75%. Next discount at ...the bills were allotted. The

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

United States Tst. Intl. Adv. Co.,
14, Rue Aldringer, Luxembourg.

U.S. Tst. Inv. Fnd.	$US11.83	+0.02	1.01

Net asset value Dec. 17

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Conv. Bond Dec. 17.	$US8.31	+0.05	—
Energy Int. Dec. 17.	$US11.62	−0.02	—
Grsh.St.$Fd Nov. 28	$US6.57	......	—

Warburg Invest. Mngt. Jrsy. Ltd.
8 Church St, St Helier, Jsy, CI. 0534 36411

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd	$US18.75	+0.08	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. ♯ Suspended. ☆ Single premium insurance bonds.

... Stock Exchanges throughout the United Kingdom for a

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅞	94⅞	Exch 6½pc 1976‡‡	99	+⅛	6.56	10.96
97¼	92	Treasury 6½pc 1976‡‡	97	......	6.69	11.14
99	97	Victory 4pc 1976‡‡	98⅝	......	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	99⅜	−⅛	10.57	11.14
95¼	88½	Treasury 6¼pc 1977‡‡	95	......	6.57	10.67
95⅛	86¼	Electric 3pc '74-77	95	......	3.16	7.28
103	96⅞	Treasury 11½pc '77‡‡	100	......	11.40	10.98
93¼	84	Treasury 3pc '77‡‡	93⅛	......	3.22	6.89
92	84⅞	Transport 4pc '72-77	92 xd	......	4.32	8.09
96	90½	Treasury 9pc 1978‡‡	94	+⅛	9.49	11.69
100	96	Treasury 10½pc '78‡‡	97 xd	......	10.73	11.53
88	79	Exchequer 5pc '76-78‡‡	88	+⅛	5.64	9.73
103	94	Treasury 11½pc '79‡‡	100	......	11.49	11.45
81⅞	71⅞	Treasury 3pc '79‡‡	81⅞	......	3.66	8.77
83½	73½	Electric 4¼pc '74-79	83⅜	......	5.09	9.59
100	94½	Treasury 10½pc '79‡‡	95	+⅛	10.96	11.86
95	95	Do. 10½pc 1979 'A'	95	+⅛	10.96	11.87
82⅛	71	Electric 3½pc '76-79	82⅛	......	4.25	8.93
95	84	Treasury 9pc 1980‡‡	90¼	+⅛	9.97	12.00
95	89¼	Treasury 9½pc '80‡‡	91½	+⅛	10.38	12.03
82⅛	68¼	Treasury 3½pc '77-80	82 xd	......	4.25	8.27
85⅛	71	Funding 5¼pc '78-80‡‡	85⅛ xd	......	6.16	9.38
		Five to Fifteen Years				
97½	94	Treasury 11½pc 1981	96 xd	+⅛	11.82	12.23
79½	66⅛	Do 3½pc '79-81	79½	......	4.47	8.82
91⅛	72⅞	Do 8½pc '80-82‡‡	84 xd	......	9.98	12.02
104⅛	86⅞	Treasury 12pc 1983‡‡	100¼	+¼	12.35	12.59
78	56	Funding 5½pc '82-84‡‡	71 xd	+⅛	7.62	10.74
85¼	61⅞	Treasury 8¼pc '84-86‡‡	77 xd	+⅞	10.84	12.20
73¼	51⅛	Funding 6½pc '85-87‡‡	67⅞	+⅛	9.70	11.85
76¼	53	Treasury 7¾pc '85-88‡‡	72⅞	+⅛	11.11	12.69

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 65% (based on $2.0218 per £)

CANADIANS

S.E. List Premium 65% (based on $2.0218 per £)

Conversion factor 0.6873 (0.6913)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكتر امن الاحلى

INDUSTRIALS—Continued

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p...	8	...	m0.5	—	17
65	17	Charterhall 5p	27	..	—	—	—
116	40	Colby Mines $1......	55	−3	—	—	—
830	360	Cons. Murch. 10c	790xd	−30	Q80c	ϕ	5.6
53½	29½	Laurasia	32½	....	—	—	—
375	200	Northgate C$1	250	+3	tQ25c	1.0	5.5
211	80	R.T.Z.	180	−2	g5.51	4.4	4.7
135	47½	Sabina Inds. C$1....	97	.....	—	—	—
81	45	Stanford Mines$1	48	....	—	—	—
£12½	874	Tara Expln. $1	£10½	−¼	—	—	—
80	38	Yukon Cons. C$1	80	+2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures: they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- — Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim, reduced final and/or reduced earnings indicated.
- ¢ Based on 1972 profits
- ? Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 19

Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Friday December 19 1975

Pay bed ballot called by BMA

By Christian Tyler, Labour Staff

HOSPITAL consultants, some of *whom are taking industrial* action over the private practice controversy, are to be balloted on whether to accept a compromise plan for the phasing out *of private practice from National* Health Service Hospitals.

But meanwhile their official emergencies-only action is to continue.

The ballot, which will take three or four weeks to complete, was decided on by leaders of the British Medical Association yesterday.

However, the breakaway Hospital Consultants and Specialists' Association, which opposed the industrial action, decided yesterday to go ahead with collecting *resignations from its* 5,000 members pending "clarification, development and amendment" of the compromise proposals.

Yesterday's *decision by the* two groups representing 10,000 consultants is less important than a decision to be taken next Tuesday by leaders of 19,000 *junior doctors.*

The junior doctors' emergencies-only sanctions are mainly responsible for the disruption to hospital services.

Two questions

BMA consultants will be asked two questions: Whether they accept the proposals worked out by Lord Goodman, acting as conciliator between the Government and the profession; and whether they are ready to resign over the issue if they vote against the proposals.

Under the Goodman proposals, the Government would shed 1,000—or a quarter—of the pay *beds in the NHS within six* months of legislation being enacted.

But the rundown of the rest of the pay beds would be supervised by an independent five-man Board which would seek to protect individual doctors' private practice, where "reasonable."

The decision to go to ballot on the private practice issue does not mean that consultants have given up their fight against promised legislation to split public and private medicine.

But it could herald the end of industrial action against legislation, action which Mrs. Barbara Castle, Social Services Secretary, has called "a strike against the British House of Commons."

French attack Callaghan for conference reference to minimum oil price

BY ROBERT MAUTHNER

PARIS, Dec. 18.

THE CONTROVERSIAL issue of Britain's separate voice at the 27-member world economic conference here was re-opened today with a sharp French rebuke to Mr. James Callaghan, the British Foreign Secretary, for his opening statement to the conference two days ago.

President Giscard d'Estaing's official spokesman said Mr. Callaghan's speech was "not in conformity" with the mandate (for the conference) adopted by the EEC at the recent Rome meeting of the European Council, grouping the heads of Government of the nine Common market countries.

The belated French reaction took the conference by surprise, as neither the European Commission nor the other Community delegations registered any formal protest immediately after the Foreign Secretary's speech.

The main French objection to Mr. Callaghan's statement was his assertion that a minimum safeguard price for oil was "an essential ingredient" of a Common Market energy policy.

Communiqué

The French have always insisted that a specific reference to the floor price should be kept out of any official Community, negotiating mandate—although the final communique issued after the Rome summit did mention the desirability of "appropriate mechanisms to protect existing sources of energy and to ensure the development of alternative sources of Community energy under reasonable economic conditions."

The Rome communiqué also specified that the chairman of the Community delegation here, Sig. Mariano Rumor of Italy, could call on two EEC delegations to make additional comments to the Community's joint statement. It was in keeping with this provision that Mr. Callaghan took the floor.

British officials here were at pains to point out that Mr. Callaghan had not in any way gone counter to anything said by the *Community delegation. Since he* had been empowered to make an additional statement, he had merely mentioned some subjects of specific British interest which *had not been mentioned in the* Common Market mandate.

The minimum safeguard price was one of these and was in any case supported by eight Common Market members—all except France.

Whether the matter will now go any further is an open question. Any formal complaint to Britain about its behaviour would have to come from the President of the EEC Council of Ministers or the European Commission, but it is doubtful whether, given thelack of support for the French objection from other Common Market members, matters will reach this point.

Improbable

As M. Etienne Davignon, Secretary-General of the Belgian Foreign Ministry and chairman of the *International Energy* Agency, said at a Press luncheon to-day, the IEA Board—comprised of all Common Market couutries except France—is expected to adopt a minimum safeguard price for oil between $6 and $8 a barrel, at its meeting here to-morrow. According to informed sources here, the price *is likely to be $7.*

In the circumstances, it seems improbable that the other EEC countries would protest against a British policy statement which *they themselves had agreed to* implement within a few days of it being made.

The European Commission's attitude, on the other hand, is more *doubtful. It originally* asked Mr. Callaghan to delete the reference to a oor price for oil from his statement and is known to be irritated by his failure *to comply with this* request.

Editorial Comment Page 16

Mr. Joseph Godber: former Tory Minister for Agriculture

New Retail Consortium chief will be Godber

By Donald Maclean

MR. JOSEPH GODBER is to succeed Lord Redmayne as chairman of the Retail Consortium at the end of March.

Mr. Godber, 61, Minister for Agriculture, from 1972 to 1974 in the Conservative Government, recently announced his intention not to stand again as MP for Grantham.

His appointment comes at a time when the consortium is attempting to change value added tax arrangements, to reduce the rate on certain goods and establish a single rate and when the question of selective price restraints is under discussion, follow publication of the Prices Repartment's Consultative document proposing a 5 per cent. *restriction of prices of certain* goods between February and July.

In selecting Mr. Godber as its next chairman, the consortium is understood to *be following a* policy of having at its head a man with Ministerial connections.

Crystal clear

Mr. Godber said yesterday: "I must ensure that the views of the retail trade are made absolutely crystal clear to whatever Government is in power, so that there will be fair treatment for retailing." Without such treatment consumers as well as retailers suffered.

It was "too early to say" whether, under his chairmanship, the consortium would expand any of its services.

Men and Matters Page 16

Comprehensives Bill published

THE BILL requiring local education authorities to plan their secondary schools as comprehensives was published by the Government yesterday. It has 10 clauses, the first three relating to the comprehensive question.

Second report accuses Lowson of breaches of his duty

BY KEITH LEWIS, CITY STAFF

THE PROFESSIONAL conduct of the late Sir Denys Lowson, a former Lord Mayor of London and central figure in a complex network of business interests, has come in for further strong *criticism in a second and final* report from the two inspectors appointed by the Department of Trade to look into various aspects of the Lowson empire.

Sir Denys, who died in September, is accused of "breaches of his fiduciary duty" and that "these faults were knowingly committed by Sir Denys, and that they involve serious mismanagement of the affairs of the companies concerned."

The inspectors, Mr. D. C. H. Hirst, QC, and Mr. R. N. D. Langdon, a leading accountant, confirm their view published in the first report in July, 1974, that Sir Denys had come to consider the group as his own property and that he did not properly distinguish between the separate interests of the companies involved and their shareholders.

The second report, like the first, concerns the affairs of Australian Estates, First Re-Investment Trust, Nelson Financial Trust and English and Scottish Unit Trust Holdings.

Much of it is taken up with the *second part of the Inspectors'* brief to examine the disposal by Australian Estates' of holdings in South Winnipeg, a Canadian property company, and Angus *Milling, a quoted company* engaged in fuel distribution and the installing and merchanting of heating equipment. In both cases, the shares were sold at sub-normal prices, at the instigation of Sir Denys, to other companies or trusts in which Sir Denys or his family had an interest.

In the case of South Winnipeg, the report shows that Australian Estates on its own should have received a further £56,400 for its holding, and that the other companies in the Lowson group which sold their shares were short by a further £178,000. In the case of Angus Milling, Sir Denys repaid over £40,000, representing the difference between the price received—between 5p and 6p a share—and an independent valuation carried out by City bankers Kleinwort Benson.

The report criticises the structure of the Lowson empire, and particularly the policy of *interlocking shareholdings. The inspectors* state that, through this method of operation, Sir Denys was able to control companies despite his personal shareholdings often being insignificant.

They conclude that he was anxious to preserve the multiplicity of companies for reasons of secretiveness and that the use of nominee holdings, on the scale that Sir Denys used them, was detrimental to the public interest.

A number of other directors have come in for criticism, mainly on the basis that they were influenced to too great a degree by Sir Denys. Mr. C. Y. Mills, a director of Australian Estates, has been praised as being responsible for the investigation being started. Sir Charles Johnston and Mr. C. R. Strutt, also AE directors, are also commended.

THE LEX COLUMN

A wounded hero in property

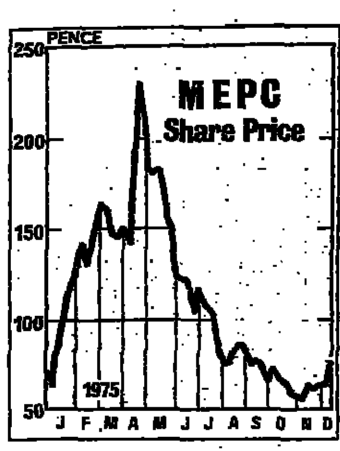
MEPC rose 9p to 77p yesterday—*the whole sector moved* ahead—as its results and report confirmed that the group definiteley has a future, even if the rate of recovery may only be gradual. The figures are as awful as feared, though no worse, with a pre-tax loss of £10.1m. before £6.4m. of capitalised interest on developments under way, while below the line the disastrous expansion of U.K. housebuilding, which lost £7.3m. *produced a write-off of £5.4m.*

But the group still has a sizeable net worth. Although continuing with its idiosyncratic rolling revaluation, MEPC has in effect reviewed its whole portfolio to produce a net £38.2m. reduction, including substantial write-offs in Brussels, and share*holders' funds of £239m. or 223p* undiluted per share. However, developments of £149m. (two-thirds in the U.K.) have not been revalued. The directors believe that th £72m. already under way are worth 10 to 20 per cent. less than book value and that it is not practicable to place a reliable valuation on development sites. This produces an auditors' qualifications: these sites might realise little *to-day, and taking a harsh line* on developments could knock 50p off the net worth.

While debt of £404m. is two-thirds more than net worth, MEPC does not face the particular cash pressures of some other property groups. Capital commitments are down to £27.6m., and should be covered by sales in 1975-76. So debt should be little changed over the year though the room for maneuvre is limited since roughly a quarter of borrowings will have to be refinanced over the next five years.

As for the p and l account, into the black this year but *delays in letting new develop*ments could offset reversionary benefits with a nominal profit (before capitalised development interest) the best hope for the current year. Although management uncertainties may overshadow the shares, a capitalisation of £85m. at least has the consolation that MEPC is no more than a "wounded hero."

Index rose 0.4 to 368.7



Cavenham

Cavenham's 18 per cent. pre-tax gain to £19.9m. after 32 weeks is well above expectations, and the shares jumped 6p to 135p last night. A sizeable improvement in the EEC *(excluding the U.K.)* is the explanation, for both the U.K. and the U.S.—at 31 and 25 per cent. of trading profits, respectively—appear to have backtracked a little. In contrast, substantial benefits have come through from the streamlining operation in France, and the contribution from the EEC may be up two-thirds or so for the first half, taking its share to 31 per cent. *at the trading level. Meanwhile* interest charges have been held, and liquidity has improved.

Broadly these patterns may *persist, though there signs that* the U.S. could become more buoyant too. For the year Cavenham could produce around £33m. pre-tax, against £37.1m., and the corresponding diluted p/e would be just over 8. As an overseas earnings vehicle Cavenham has attractions, but the yield is under 5 per cent., and there are still glaring variations between Grand Union's own accounting treatment in the *U.S.*—it reported a pre-tax loss of $4.8m. in the 16 weeks to mid-July—and the consolidation by Cavenham, which draws on *pre-existing provisions to cover* reorganisation costs.

Distillers

Once again Distillers has surprised the market—but pleasantly, this time. Profits after six months total £42.5m. pre-tax, *against £44.1m.* and £26.9m. in the first and second halves of 1974-75, which means there has been a substantial improvement *in margins at a time when over*all export sales have been under pressure. Industry sales to the U.S. fell by well over a quarter compared with what was a freakishly strong period a year earlier.

But the trend in other export markets has been much steadier, and DCL has been recovering the business w[...] lost following 1974's p[...] crease. Some of the [...] markets, like Venezue[...] Japan, have done especia[...] *And margins have been* in the U.K., where pric[...] gone up by nearly half [...] including a sizeable elen[...] investment incentives u[...] price code.

Domestic volume was [...] by stockbuilding ah[...] October's price increa[...] will probably be weak[...] the rest of the year. U.S. ought to look muc[...] compared with a ver[...] period in 1974-75. [...] price increase should s[...] firm performance in export *markets, and overall should show a* [...]able advance" on last [...]

That could mean a [...] But the *trading* backgr[...] improving and so, it se[...] DCL's contacts with it[...] holders. The shares h[...] performed the marke[...] September's annual [...] meeting, and rose anoth[...] 138p yesterday where t[...] ket capitalisation is £50[...] the yield is still com[...] above the market avera[...]

Rothmans

Rothman's half-year [...] are £5.9m. up at £20.2m[...] and much of the adva[...] come from U.K. produc[...] 12 months ago by th[...] general strike. Export v[...] 15 per cent. higher [...] biggest advances in [...] Arabia and Indonesia. though the group clai[...] holding its market s[...] home following the su[...] its smaller cigarettes, [...] *still 5 to 6 per cent.* d[...] Germany, Rothmans h[...] losing both sales and share though May's 15 [...] price rise, the first fo[...] three years, has resul[...] substantial profits reco[...] last year's sharp declin[...] benefits will tend to t[...] wards the end of 1975 despite advances in exp[...] Benelux, profits in the [...] half may not match the [...] level, eve nthough the [...] be well-up on last yea[...] total of over £35m., [...] £21.4m., looks probable *full-year. But after a* over a half since A[...] market capitalisation [...] at 35p has limited in[...] attractions relative to [...] a higher yield) or BAT[...]

Liverpool port levy

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE Port of Liverpool's trading prospects for next year have been dealt a surprise blow by the 29 shipping lines belonging to the Far East Freight Conference who have announced a $5 per ton levy on shipments into the port from March 1 next year.

News of the levy was linked with the decision immediately to lift a 12½ per cent. "congestion" surcharge which has applied to all imports into Liverpool from the Far East since 1973. While anxious to keep their reaction in a low key, Liverpool's port managers are privately angry about what is seen as an unjustified sleight of hand by the shipping lines.

The original "congestion" surcharge was imposed at a time when there were considerable delays in discharging general cargo ships because of a shortage of dockers. This shortage has now become a surplus and with productivity up 20 per cent. this year Liverpool is rejecting the shipping line's claims that some other form of levy is still justified because the port's discharge rate "does not compare favourably with performance achieved at other main ports."

The proposed new levy will not cost some importers as much as the previous congestion surcharge but generally it will put *Liverpool* at a disadvantage in relation to some other British ports.

It is understood that the shipping lines were by no means united in favour of the new levy but strong pressure was exerted by British owners, including the Ben Ocean lines, who may have been reluctant *to lose the revenue gained from* the "congestion" surcharge.

Far East trade into Liverpool has steadily declined over the past five years but it still *amounts to about 10 per cent.* of imports.

Meanwhile, the Liverpool grain terminal is due to handle the largest single shipment of grain ever to pass through a British port next Tuesday when the carrier Carisle is due to land 61,500 tons of Canadian wheat.

Continued from Page 1

Aid for exporters

France, in particular, has obtained many of these contracts, largely due to its broad cost escalation scheme. In some cases, British companies have won the main contracts, on the basis of their superior technology, but have had to sub-contract most of the hardware to companies in France or Germany in order to *compete on price.*

It is clear that manufacturers of processing equipment are looking to Middle East countries for a large bulk of new export *orders. OPEC members are* using their petrodollars on ambitious expansion programmes.

A recent trade mission to Iran, orgainsed by CBMPE, the trade association whose members manufacture plant and equipment for the process of oil industries, gave some indication *of the scope for export orders.* Mr. Arthur Wright, chairman of CBMPE and director of exports for GEC Power Engineering, said yesterday that the Oil Services *Company of Iran was planning* to spend $4bn. over the next four years, some 60 per cent. on goods from foreign countries. In addition, the National Petrochemical *Company could spend $15bn.*, while the National Iranian Gas Company was thinking of spending a further $5bn.

Continued from Page 1

Dilemma over Chrysler

petition, and since then British officials have had discussions with Commission officials.

These were described in London yesterday *as "constructive,"* although it was said that the Commission officials had given no indication of the view which might be taken of the deal. The Government realises that the deal does create problems for the EEC, but hopes that the Commission will give its blessing, as it has done to similar cases involving EEC Governments' aid to motor companies—notably Citroen, Volkswagen and British Leyland.

Easier HP boosts electrical goods makers

BY OUR INDUSTRIAL STAFF

MANUFACTURERS of television sets and domestic electrical appliances, such as washing machines and cleaners, believe the easing of hire-purchase terms *may have saved them from* irreparable damage which would have resulted from substantial cutbacks early next year.

The easing of HP terms came in the package of economic measures, which was announced by Mr. Denis Healey, Chancellor of the Exchequer, on Wednesday, and included the imposition of some import controls.

However, the measures are only expected to maintain production and employment in the electrical industries at around present levels, rather than increase them. Had the concessions not been made, there would certainly have been some redundancies.

It is estimated that the reduction in the advance rental on colour television sets from 42 weeks to 26 could create demand next year for an additional 250,000 sets worth more than £40m. This would push overall sales past the 1.5m. mark, which is nevertheless well below the total industry capacity of *around 2.4m.*

The British Radio Equipment Manufacturers' Association pointed out yesterday that an estimated 36,000 jobs have been *lost in the industry* as a whole since the beginning of last year and that the measures "should lift us off the bottom."

It added that with overall output now running at about 60 per cent., with some areas even lower, a boost in demand would perhaps save some parts of the industry from closure.

Thorn Electrical said: "The pre-Christmas demand for consumer electrical products, in particular colour televisions, has been extremely disappointing. The prospects for the first quarter of next year must therefore be bleak in view of the high level of unemployment."

It added that it was too early *to predict the result of the Chan*cellor's action, with stocks of unsold colour sets in the trade and in manufacturers' hands being over 500,000. Only in the rental sector was it likely to provide an early boost.

In the domestic appliances sector, Mr. Healey's measures were described as "enough to improve a situation which would otherwise have been catastrophic." he recent bouyancy in the home market was believed to be a result of consumers trying to beat inflation. But it was clear that this had run out of steam.

The extent to which HP measures are to be implemented in *the shops* was yesterday *under consideration at shops* around the country. In some cases it seems the relaxations will be used in full, while in others they will be used only in part.

Retailers generally believe that the volume of trade will be affected to a welcome but modest degree. A spokesman for the National Consumers Association said that the package was "a small one" that received "a small welcome."

Laskys, which claims to be Europe's largest hi-fi retailer in Europe, has given the package a warmer welcome, however, than has the retailing industry in general.

Weather

U.K. TO-DAY

MOSTLY DRY in England and Wales; rain in Scotland and N. Ireland.

London, E. Anglia, S.E., Cent. S., Cent. N. and N.W. England, Midlands, Wales
Mostly dry. Bright intervals. Wind N., light. Max. 9C (48F).

Channel Is., S.W. England
Cloudy with rain later. Wind N., light. Max. 9C (48F).

E. and N.E. England
Mostly dry. Bright intervals. Wind N., moderate. Max. 8C (46F).

Lakes, I. of Man
Cloudy with rain later. Wind N., light. Max. 9C (48F).

Borders, Edinburgh, Dundee, S.W. Scotland, Glasgow, Cent. Highlands, N. Ireland
Becoming cloudy with rain at times. Wind N., moderate. Max. 8C (46F).

Aberdeen, Moray Firth, N.E. Scotland
Rain at times. Wind N.W., moderate. Max. 8C (46F).

Argyll, N.W. Scotland, Orkney, Shetland
Cloudy with rain. Wind N.W., moderate. Max. 8C (46F).

Outlook: Showers.

Lighting-up: London 16.22, Manchester 16.20, Glasgow 16.13, Belfast 16.28.

Snow reports Page 23

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amsterdm.	F	0	32	Madrid	S	9	46
Athens	S	15	59	Manchstr.	C	1	34
Bahrain	S	20	68	Melbourne	R	15	59
Barcelona	S	11	52	Mexico C.	C	18	64
[illegible]	S	17	63	Milan	C	8	[illegible]
Belfast	C	5	41	Montreal	C	−7	19
[illegible]	C	[illegible]	[illegible]	Moscow	C	−10	14
[illegible]	S	0	32	Munich	Sn	−4	25
[illegible]	[illegible]	[illegible]	[illegible]	Newcastle	C	4	39
[illegible]	[illegible]	[illegible]	[illegible]	New York	S	−1	30
[illegible]	S	−2	28	Oslo	C	−4	25
Budapest	Sn	1	34	Paris	S	0	32
[illegible]	[illegible]	[illegible]	[illegible]	Perth	S	27	81
[illegible]	S	20	[illegible]	Prague	S	−3	27
[illegible]	S	4	39	Reykjavik	D	5	41
[illegible]	S	−2	28	Rio de Jan'o	S	28	82
[illegible]	S	1	34	Rome	C	11	52
[illegible]	C	2	36	Singapore	C	29	84
[illegible]	C	8	46	Stockholm	S	−6	21
[illegible]	S	0	32	Strasbourg	S	0	32
[illegible]	C	0	32	Sydney	S	25	77
[illegible]	C	11	52	Tehran	C	8	46
[illegible]	S	−7	19	Tel Aviv	F	18	64
[illegible]	S	24	75	Tokyo	S	10	50
[illegible]	C	18	64	Toronto	C	−15	5
[illegible]	S	9	48	Vienna	C	−2	28
[illegible]	C	4	39	Warsaw	S	−4	25
[illegible]	S	−2	28	Zurich	C	−2	28

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	C	13	55	Jersey	S	6	43
Algiers	C	15	59	Las Plms.	C	19	[illegible]
Biarritz	C	2	36	Locarno	S	0	32
Blackpool	R	6	43	Majorca	R	5	41
Bordeaux	C	[illegible]	[illegible]	Malaga	F	11	52
[illegible]	S	2	36	Malta	S	19	66
Casablanca	F	15	59	Nairobi	S	24	75
Cape Tn.	S	26	79	Naples	F	12	54
Corfu	C	18	64	Nice	S	11	52
[illegible]	C	17	63	Oporto	S	11	52
Faro	F	12	54	Rhodes	C	15	59
Florence	F	11	52	Salzburg	Sn	−1	30
Funchal	F	17	63	Tangier	C	15	59
Gibraltar	F	14	57	Tenerife	S	14	57
Guernsey	F	8	46	Tunis	S	16	61
Innsbruck	C	[illegible]	[illegible]	Valencia	C	10	50
Inverness	C	6	43	Venice	C	7	45
I. of Man	C	7	45				
Istanbul	F	15	59				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow. D—Drizzle.

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